



Daily Report

East Europe

FBIS-EEU-89-142
Wednesday
26 July 1989

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Bulgarian Turks Reported Returning Home
18070795 Moscow IZVESTIYA in Russian
13 Jul 89 First Edition p 4

[Article by Staff Correspondent A. Kapralov in Sofia:
"The Muslims Return Home"]

[Text]The joyless work of the village elder of the town of Veselets in Razgrad Oblast is to seal the houses of those leaving for Turkey. Everyone, up to the last resident, has applied to leave. Over 200 have already abandoned their native areas.

Several of the Bulgarian Muslims who had yielded to propagandistic subterfuge and blackmail (some were threatened with having their tongue and head cut off if they did not go to Turkey) are already returning.

Thus, on 6 July, 14 Bulgarian citizens returned from Turkey all at once. Incidentally, returning is putting it mildly; it was more akin to breaking through. The Krumov family, father, daughter, husband, two children, aunt and grandmother, had hardly gotten off the train in the Bulgarian city of Svilengrad when they immediately appealed to the authorities to warn remaining relatives not to leave under any circumstances. The Krumovs gave the makes, license numbers, and colors of their relations' cars, in the hope of catching them on Bulgarian territory. Thirteen days in Istanbul proved sufficient to reach the conclusion that "we will never go there again."

Iliya Charnev from the village of Oven said that "half of our people want to return but are afraid that the authorities there will punish them and not let them do that. My heart was heavy the entire month I spent in Turkey. I was only at ease when I got to my native land; even the air is different here..."

Tenth-grader Galin Nikolayev arrived from Turkey illegally; to be precise, he ran away from his parents. They took him by force and did not take their eyes off him during the trip. Only at the Turkish border point of (Kapykule) did Galin manage to carry out his plan: He helped his parents unload the baggage and excused himself to go to the toilet. Then he hurled himself into an empty train car which was being sent back to Bulgaria.

And here is what cousins Niko Aldemirov and Sevdlanin Zakhariyev from the village of Semerdzhiyev, near Ruse, have to say about their "journey." They set off for Turkey on 14 June without baggage to see how people live in the neighboring country.

Even in (Kapykule) the very first official spoiled their mood: "Why are you not with a family, where is your luggage?" From the border, the cousins went to Luleburgaz, where they searched for their relative without success. And by 20 June, the cousins stood again before the official at the Turkish border point of (Kapykule). The official

took their passports: "So, you don't like it here. You want to go back to the nonbelievers. We are looking for spies here, and it seems that they are already among us..."

The cousins were sent to a detention cell.

Sevdlanin related that "after that began the interrogations alternating with beatings. For 11 full days they kept asking us the same question: 'Who are you, and whom are you working for?' Thanks to Niko's daughter-in-law; she saved us, bribing the officials. My heart was at ease only when I got to Bulgarian land."

Also instructive is the history of Genadi Khristov from Razgrad.

"We had firmly resolved to return, but they detained us in (Kapykule) for 2 days. The policeman called me a nonbeliever and a swine, and suggested to my wife that she remain, promising to find her a rich man to marry. I was forced to lie that my relatives in Bulgaria were gravely ill. And I heard the reply: 'Since they're sick, let them die.' Even when we got into the coach the train was held up for an hour so we could change our minds."

Sasho Demirev got off that same train in Svilengrad, and immediate¹ appealed to RABOTNICHESKO DELO correspondent Vanyo Stoilov: "Call my neighbor in Kaspichan and tell him that my wife and daughter Natasha must not leave. I promised to return in 10 days, and today is the 11th."

The correspondent managed to get through to Kaspichan and learned from the neighbor Demirev that no one had gone anywhere, and that the family was happy at the father's return."

One may hear more than a few stories similar to those we cite here. And the Bulgarian press notes that in alien circumstances, many Bulgarians are at a loss, afraid to announce to the Turkish authorities their desire to return to their homeland. It is easy to leave for Turkey, but those who have already been there assert unanimously that it is not so simple to come back.

Turkey Plans 'Forcible Deportation' of Kurds
AU2507201889 Sofia Domestic Service
in Bulgarian 1900 GMT 25 Jul 89

[Text] Turkey is planning a mass forcible deportation of Kurds from (?Botan) Province, where recently Kurdish partisans conducted many successful operations. It is expected that in case of resistance, combat chemical substances will be used against the peaceful population, while regular troops and commando units will be used against women, old people, and children. These alarming reports again showed the real face of the Ankara regime and evoked a wave of protests in the FRG. Today about 100 demonstrating Kurds came to the headquarters of the Free Democratic Party in Bonn, one of the partners in the coalition.

Mladenov Receives Newly Appointed Ambassadors
AU2407122189 Sofia RABOTNICHESKO DELO
in Bulgarian 21 Jul 89 p 2

[Text] On 20 July Petur Mladenov, minister of foreign affairs, received, one after the other, the following newly appointed ambassadors to Bulgaria: Ismail Muhammad Abu Shammalah, ambassador of the State of Palestine; Lkhamin Tserendondog, ambassador of the Mongolian People's Republic; Luis Gonzales Ferreira, ambassador of the Republic of Portugal; Feisal Yusuf Abdurakhim, ambassador of Socialist Ethiopia; and Yalcin Oral, ambassador of the Republic of Turkey.

Statistics Official Defends Information Policy
AU2507191389 Sofia POGLED in Bulgarian
No 30, 24 Jul 89 p 4

[Article by Velichka Rangelova, candidate of economy: "I Do Not Agree With POGLED"]

[Excerpts] I am presenting my position on the issues raised by Ivan Genov in the article "Full and Correct Information (Are We Satisfied With the Announcements of the Central Statistics Administration)" (POGLED No 13, 27 March 1989). I think that such articles are to POGLED's credit. However, I have many objections.

The author is not familiar with the activity of the Central Statistics Administration and did not bother to acquaint himself with the contents of its numerous special publications and analytical articles. In addition to them the Central Statistics Administration has a great deal of computer primary data and charts, related to many indices in all spheres of the national economy.

The courage to doubt the quality of the work of the employees of a central departments, with a record of more than 100 years, requires a thorough verification of all issues, presented to the attention of the public.

However, what really happened in practice?

The author sharply criticized the work of the specialists without having been acquainted with the functions of the department, and without analyzing the kind of information that is available or not available, what information is published or not published, what reasons are involved, and so forth.

A great deal of the indices mentioned in the article are collected by the Central Statistics Administration, however, since they are state secrets, they cannot be published, while others are for official use only. A decision based on the Council of Ministers' Decree No 30 of 4 June 1980, and protocol No 40 of 25 January 1989, reduces the information considered a state secret, however, the competent organs have not adopted a final decision on this matter yet.

The Central Statistics Administration cannot collect information on the basis of the wish of individual members of our society. It has been authorized to investigate

phenomena and processes through statistical reports, approved only by the Council of Ministers. There also exists the so-called departmental information. Some of its indices, such as those related to prostitution, drug-abuse, and so forth, are a matter for the Ministry of Internal Affairs, and it is up to that ministry whether the information should or should not be published. [passage omitted]

All information costs money, and the Central Statistics Administration has a limited contingent of labor and financial resources and an almost nonexistent material base for data processing. This is a result of the department's status, which still is unclear, and the constant reorganizations.

The author of the article correctly poses the question of the minimum subsistence level of the Bulgarian citizens, and the correlation between prices, income, and wages, necessary in adopting management decisions in the social sphere. High scientific competence is needed for calculating those indices.

The wish that the savings accounts of various social groups in the State Saving Bank are published is a positive one, but for this purpose the Central Statistics Administration must be given information related to the various social groups and professions.

Japanese-Built Ship Joins Merchant Fleet
AU2507124689 Sofia OTECHESTVEN FRONT
in Bulgarian 24 Jul 89 p 1

[Yordan Aleksandrov report: "Our Flag Flies on the 'Kastor'"]

[Text] The 3,200-tonne chemical carrier "Kastor" has set sail from the Japanese port of Fukuoka on its first voyage, under Captain Todor Daskalov. The new vessel, one of four with the same displacement, is designed to carry chemical products for both domestic and foreign markets.

The 3,200-tonne chemical carriers that are being built in Japan are a new type of vessel for the "Bulgarian Marine Fleet" State Company, Captain Atanas Yonkov, the company's general director, told me. Their design and equipment are strictly in accordance with the more rigorous requirements of the international conventions for these types of vessels, including the environmental protection regulations.

Central Committee Candidate Member Mishev Dies
AU2607081389

[Editorial Report] Sofia RABOTNICHESKO DELO in Bulgarian on 25 July on page 6 carries a 400-word obituary issued by the Central Committee of the Bulgarian Communist Party on Khristo Nikolov Mishev, born on 11 February 1932, who "died on 23 July 1989 after a serious and lengthy illness." The obituary reviews Mishev's career, spent since 1966 in party and local government posts in Plovdiv. No leaders are noted to have signed the obituary.

Jakes, Adamec Arrive in USSR for Vacation
LD2507195689 Prague Domestic Service in Czech
1930 GMT 25 Jul 89

[Text] At the invitation of the CPSU Central Committee, Milos Jakes, Czechoslovak Communist Party Central Committee general secretary, and Ladislav Adamec, Czechoslovak Communist Party Central Committee Presidium member and federal premier, arrived in the USSR by air today for a vacation.

Dubcek Meets With Polish Figures in Bratislava
LD2507110289 Warsaw PAP in English
1015 GMT 25 Jul 89

[Text] Prague, July 25— A group of visiting Polish opposition parliamentarians and activists, namely Adam Michnik, Jan Litynski and Zbigniew Janas, met with Alexander Dubcek, former general secretary of the Central Committee of the Communist Party of Czechoslovakia, in Bratislava on July 24.

Discussed was the current situation in Europe in the context of transformations and problems related to Soviet perestroika, the Polish reform program, and Czechoslovak reform.

They focused on the course and results of the Polish roundtable and agreed that the initiative to hold it was well, as the course of the debates was a perfect example of possibilities of dialogue between authorities and opposition, and of consolidation of prestige of decision-making centres.

Michnik also spoke about his recent visit to the Soviet Union.

Leaders Send Congratulatory Telegram to Poland
AU2507105289 Prague RUDE PRAVO in Czech
22 Jul 89 p 1

[CTK report: "Congratulations to Poland"]

[Text] Prague—Milos Jakes, general secretary of the Communist Party of Czechoslovakia Central Committee, Gustav Husak, CSSR president, and Ladislav Adamec, CSSR premier, sent Wojciech Jaruzelski, first secretary of the Polish United Workers Party Central Committee and president of the Polish People's Republic, and Mieczyslaw Rakowski, chairman of the Polish Council of Ministers, the following congratulatory telegram on the occasion of the National Day of the Polish People's Republic:

Dear comrades,

On behalf of the Communist Party of Czechoslovakia Central Committee, the government, and the people of the Czechoslovak Socialist Republic, and on our own behalf we send you, the Polish United Workers Party Central Committee, the Council of Ministers of the

Polish People's Republic, and the fraternal Polish people, our comradely greetings and cordial congratulations on the occasion of your country's national day.

It is now 45 years since the victorious advance of the glorious Soviet Army and the Polish people's national liberation struggle culminated in the liberation of Poland from the occupation by fascist Germany. The prospect of building a new, socially just, and socialist society opened up before the progressive forces of the Polish nation.

In the past era, Poland has traveled along a complicated road in implementing comprehensive economic and social changes. In alliance with the other socialist states, it has created the guarantees of Polish national independence and state sovereignty.

We are following with interest the present difficult process of socialist renewal, democratization, and reforms which correspond to Poland's own conditions.

We are convinced that favorable conditions will continue to be enhanced for further developing Czechoslovak-Polish cooperation, which in recent years has made great progress, particularly in the economic sphere. We support its new prospective forms, in which we see an effective instrument for intensifying our relations and reaching a qualitatively higher level in relations in all spheres.

A primary condition for implementing all our aims and intentions is the strengthening of peace and security in the world. We highly respect the fact that the Polish People's Republic has enhanced the broad offensive of the Warsaw Pact member states by its own proposals within its peaceful foreign policy. This is in complete, mutual harmony with the efforts of the CSSR to actively promote, in the spirit of the new political thinking, the process of disarmament, the development of pan-European cooperation, and the creation of a comprehensive system of international peace and security.

On this significant day, we wholeheartedly wish you, our dear Polish comrades, and all the Polish people many successes in strengthening and developing socialist society in your country and in the struggle for peace and social progress in the world.

Husak Ratifies Youth Cooperation With GDR
AU2407193189 Prague RUDE PRAVO in Czech
22 Jul 89 p 1

[Text] Prague (CTK)—On 18 July, CSSR President Gustav Husak ratified the CSSR-GDR agreement on cooperation between the CSSR and GDR youth, which was signed in Prague on 3 May 1989.

The agreement with its Article 18 will go into effect on the day the ratification documents are exchanged.

Angola's Dos Santos Pays Friendly Working Visit

Received by Janak

LD2507224389 Prague Domestic Service in Slovak
1200 GMT 25 Jul 89

[Text] Jose Eduardo dos Santos, the supreme representative of Angola who is in Czechoslovakia for a friendly working visit, was received today in Bratislava by Comrade Ignac Janak.

The two officials discussed mutual contacts between both sides. They confirmed a unity of views on how to tackle topical international problems in the South of Africa. Ignac Janak briefed his guest about developments in Slovakia and its present share in the whole social and economic progress of our country. Jose Eduardo dos Santos praised Czechoslovakia's support for the Angolan Government which strives for strengthening the country's sovereignty and for national reconciliation.

Interviewed on Ties, UNITA Talks

LD2607050889 Bratislava Domestic Service in Slovak
1630 GMT 25 Jul 89

[Text] Jose Eduardo dos Santos, chairman of the Angolan Labor Party and president of the Republic of Angola, who is in Czechoslovakia on a friendly working visit on the invitation of the Czechoslovak Communist Party Central Committee, met in Bratislava today [25 July], with Ignac Janak, first secretary of the Communist Party of Slovakia Central Committee.

The Angolan representative was then welcomed in the Palfy Palace by Stefan Bartak, mayor of Bratislava who gave the esteemed guest a medal of the city.

Jose Eduardo dos Santos then gave an interview to Peter [?Suska], our editor:

[?Suska] Comrade President, this is your second visit in Czechoslovakia in a relatively short time. Does it mean that cooperation between the two countries is expanding, and if so in which areas?

[Dos Santos in vernacular fading into Slovak] There are permanent contacts between the People's Republic of Angola and Czechoslovakia on a party and governmental level and also on the level of mass organizations. I was given a very friendly welcome and during this visit I have also undergone very thorough medical tests.

Both our states cooperate on various levels and in various areas. The mutual exchange of experience is expanding. With the growing prospect of peace for Angola, possibilities of economic cooperation and cooperation in the areas of industry, transport, and agriculture are growing, too. In the same way—and I must emphasize this—there are outlines of prospects of mutual trade cooperation between Czechoslovakia and Angola.

[?Suska] Comrade President, you have recently taken part in a conference in Gbadolite where you held talks with the leader of UNITA, Jonas Samimbi, about the peace process in Angola. There are currently, however, some problems with the implementation of this agreement. Can you tell us more?

[Dos Santos] To start with, I have to explain what really happened in Gbadolite. There was a 22 June summit meeting at which the situation in Angola was tackled. A peace plan, worked out by the Angolan Government, was put forward. All African states that took part in the meeting adopted the plan. These talks were preceded by the talks on 16 May in Luanda, the capital of the People's Republic of Angolan.

In Gbadolite, Mobutu Sese Seko, president of Zaire, also mediated talks between the Angolan Government and Jonas Samimbi and other UNITA representatives. A general line of the peace plan was worked out. A large part of the talks took place without Samimbi's presence and Jonas Samimbi was invited to the negotiating table only after the report was completed. The topic of the report and of the talks was the ending of armed hostility, the ending of interference into the internal affairs of Angola, and the integration of the UNITA members into the normal life in the country. A ceasefire as of 24 June was declared.

In spite of this, after 2 to 3 days Samimbi again began to violate the agreement. UNITA started to attack defenseless civilians, attacked supply columns, destroyed railways and electric line towers. Overall we counted about 130 cases of agreement violations. With regard to this, the talks reopened in Kinshasa where we proposed a form of verification of their implementation. UNITA continues to refuse to accept the majority of conditions. The negotiations therefore had to be interrupted and it is envisaged that they will be renewed sometime next month. For this it is necessary, however, that UNITA start to respect the agreement at last. It is necessary to do everything for saving peace because the people of Angola need peace above all.

Janak Meets Daniel Ortega in Managua, Departs

AU2507192789 Bratislava PRAVDA in Slovak
24 Jul 89 pp 1,4

[CTK report: "Appreciation of a Solid Stance; Daniel Ortega Received Ignac Janak"]

[Excerpts] Managua—Yesterday, the Czechoslovak party and Government delegation headed by Ignac Janak, member of the Communist Party of Czechoslovakia [CPCZ] Central Committee Presidium and first secretary of the Communist Party of Slovakia [CPSL] Central Committee, ended its visit to Nicaragua where it had been participating in celebrations marking the 10th anniversary of the victory of the Sandinist Popular Revolution, and departed for home.

Daniel Ortega, Coordinator of the Executive Committee of the National Leadership of the Sandinist National Liberation Front and President of Nicaragua, received Ignac Janak, member of the CPCZ Central Committee Presidium and first secretary of the CPSL Central Committee, at the end of the Czechoslovak delegation's visit to Nicaragua.

At the meeting, they stated in agreement that bilateral Czechoslovak-Nicaraguan relations have reached a very good level, which was confirmed by the recent visit made to Nicaragua by Milos Jakes, general secretary of the CPCZ Central Committee. They also expressed their opinion that the appropriate institutions of both states must adopt a more initiative approach toward the fulfillment of the outlined intentions for the development of further cooperation. Daniel Ortega appraised the solid stance adopted by the CPCZ and the CSSR toward Nicaragua, and he thanked the Czechoslovak party and Government delegation for its participation in the celebrations marking the 10th anniversary of the victory of the Sandinist Popular Revolution, whose contents and course are evidence of the political and ideological maturity of the Nicaraguan people and of their resolve to defend their revolutionary achievements.

Ortega also briefed Comrade Janak on the present complicated economic situation in Nicaragua which has been brought about by the United States' undeclared war against this country, by the economic blockade, and more recently, by the unpleasant consequences of last year's hurricane Joan and this year's drought.

During the meeting, both representatives exchanged views on the contemporary international situation and they stressed the need for disarmament and the democratization of relations between nations, an element of which is also the elimination of neo-colonialism and discriminatory attitudes toward developing countries. [passage omitted]

Prague—The delegation was welcomed at Prague Airport by Miroslav Stepan, member of the CPCZ Central Committee Presidium and leading secretary of the Prague CPCZ City Committee. Ramon Bayardo Altamirano Lopez, Nicaraguan ambassador to the CSSR, and Jorge Hart Davalos, charge d'affaires ad interim of the Republic of Cuba to the CSSR, were also present.

Husak, Adamec Send Congratulations to Egypt
AU2507122989 Bratislava PRAVDA in Slovak
24 Jul 89 p 1

[CTK report: "A Congratulatory Telegram to Egypt"]

[Text] Prague—Gustav Husak, CSSR president, sent a congratulatory telegram to Muhammad Husni Mubarak, president of the Arab Republic of Egypt, on the occasion of his country's national day.

Also on this occasion, Ladislav Adamec, CSSR premier, sent a congratulatory telegram to 'Atif Muhammad Najib Sidqi, premier of the Arab Republic of Egypt.

Slovak Deputy Premier Receives French Minister
AU2607090389 Bratislava PRAVDA in Slovak
25 Jul 89 p 2

[CTK report in the "International Relations" column: "Cooperation"]

[Text] Yesterday, Stefan Murin, first deputy premier of the Slovak Socialist Republic [SR], received Olivier Stirn, minister delegate of tourism of the French Republic. Kazimir Nagy, Slovak SR minister of trade and tourism, participated in the reception. Yves Bareilly, counsellor at the Embassy of the French Republic in the CSSR, was also present. Murin informed his French guest that the Slovak SR state organs are paying increased attention to tourism, and he acquainted him with the aims which will support its development in the CSSR in the future. The representatives of both countries discussed measures for the development of tourism between France and Czechoslovakia, and the expansion of cooperation between both states in this sphere, for example, in the further development of joint ventures that promote tourism.

Travel Agency Inaugurates Bus Route With FRG
AU2507141989 Bratislava PRAVDA in Slovak
24 Jul 89 p 2

[CTK report in the "News, Current Events, and Information" column: "From Brno to Dusseldorf"]

[Excerpt] Brno—The Prague travel agency, Autoturist, in cooperation with Czechoslovak Vehicle Transportation Brno, will inaugurate a new passenger transportation service between the CSSR and the FRG on 11 August 1989 on the Brno-Prague-Plzen-Nuremberg-Frankfurt am Main-Bonn-Cologne-Dusseldorf route and back. [passage omitted]

Satellite TV Equipment Manufactured With FRG
AU2607083889 Bratislava PRAVDA in Slovak
24 Jul 89 p 2

[CTK report in the "News, Current Events, and Information" column: "Satellite Television"]

[Excerpts] Nizna—Equipment being prepared for production by Tesla Orava in Nizna and Kovodruzstvo in Nachod, in collaboration with the company Cuba from the FRG, will enable CSSR enthusiasts to receive television programs relayed by satellite. It will be possible to connect the equipment, which consists of a parabolic antenna, a preamplifier with a converter, and an external receiver, to an ordinary color television set. This system will facilitate the reception of uncoded signals from any

of the satellites in geostationary orbit, which broadcast, so far, mainly in English, German, or the Scandinavian languages. [passage omitted]

This year Tesla Orava in Nizna will assemble, in a pilot series, the first 200 external receivers and next year they plan to add up to 10,000 systems. The overall price of the equipment (excluding the color television) will be around Kcs22,000. [passage omitted]

Adamec Gives Speech to Party in Ceske Budejovice
AU2507083989 Prague RUDE PRAVO in Czech
19 Jul 89 p 4

[Speech made by Ladislav Adamec, CSSR premier, at a meeting with party functionaries in Ceske Budejovice on 18 July: "Fulfilling the Ideas of Restructuring by Active Work"]

[Text] I am pleased to hold a meeting with a functionaries' aktiv in the South Bohemia region and to exchange views and experiences with you. During my morning visit to the builders of the Temelin nuclear power plant and to the workers of the Agrokombinat Sumava state enterprise, I had the opportunity to become familiar with the rhythm of restructuring and with all the accompanying complexities and various expectations. In some places, restructuring is making rapid progress and in others, slow progress. I became acquainted with courage and hesitancy, with greater and lesser understanding, and with hopes and fears. That is life. We are realists, we do not proceed from mere desires. We accept life as it is. Only a truthful outlook, not a simplified one, will enable us to change things for the better.

During meetings, in letters from the working people, and in talks with representatives of various countries, I am often asked about the course and purpose of restructuring. Our point of view on many topical matters was put forward at the 14th Communist Party of Czechoslovakia [CPCZ] Central Committee session and in the government report on the state of the national economy delivered at the June Federal Assembly meeting. Development in the world and in our own country places a number of serious problems on the day's agenda—old problems coming to a head and new ones opening up. Seeking answers to complicated questions is not always easy or pleasant. Not for anyone, no matter what kind of post he occupies. Without this it is impossible to create an open policy and to fulfill in practice the demands for the flow of public information.

We Are Not Carrying Out Restructuring Uselessly

Many times we come across different, even contradictory, views on what restructuring is bringing and what it will bring. Sometimes even disappointment is expressed that the situation is not changing as quickly as the majority of people would like. How can I reply to this? This is a justified comment. We are not carrying out restructuring formally nor as an end in itself. That is, it

is only sensible when it brings the people something, when it changes the conditions of their life and work, when it makes way for real democracy and social justice, and when prerequisites for the implementation of creative forces and innovative ideas are created.

This applies twice as much at present, in the pre-congress period, as we enter the final months of preparations for the new economic mechanism and when there is not quite 1 and ½ years left until the end of the Eighth 5-Year Plan. If we do not adopt an open point of view in time, someone else will fill this free space. Not to our benefit, but to their own benefit. We can only complain about ourselves. This applies everywhere—at the top and at the bottom, in every sphere.

The stage of preparing, the congress is traditionally a period of evaluation and planning, and of contemplating yesterday and tomorrow. This year, of course, we cannot neglect this. On the contrary, it should be more consistent, more comprehensive, and more responsible than ever before. However, emphasis on winning over people for restructuring still remains a part of all of this. Mere criticism of shortcomings and the announcement of measures for their eradication are not enough. Deeds were, are, and always will be the basic method of convincing people about the correctness of our policy. Feelings of mistrust, fears, ambiguities, and doubts spread easily without them.

Most of all, people believe facts and results. It is our duty to work everywhere so that we can rely on them. First and foremost, it is up to managers, party and trade union functionaries, deputies, and other responsible people to create prerequisites for this. How? Mainly by changing the contents and style of their work so that they set a personal example. By orienting collectives toward elements where it is possible to achieve positive results without a great deal of preparation and cost. There are enough of these possibilities everywhere. In manufacturing enterprises, they should direct themselves toward enhancing the market with much sought after products. In national committees it is necessary to strengthen the most criticized sections with cadres and get rid of regulations which unnecessarily embitter people's lives. It is also within the strengths of each social organization to do something useful for their members and to get rid of formality. It is not enough to merely summon one another to action and to criticize or agitate one other, but it is necessary to work together in the interest of achieving visible progress in a selected area. When people see that things are beginning to be put in motion and that there is a willingness to address problems, they will take up the matter of restructuring as their own and we will progress forward.

So far, in some sectors time is still being marked. People are complaining that, to date, restructuring has still not reached them. Responsible functionaries are once more excusing their lack of activity by referring to the working and citizens' collectives' poor comprehension of new

things, as well as the insufficient help from above. Where is the truth? Indiscriminate criticism of the central organs is unjust. During the first half of this year alone, several dozen fundamental restructuring proposals were prepared. These were substantially more important than previously, and were several times more in number than during many previous years. It is becoming less and less possible to blame out-of-date laws and outmoded regulations. Having said this, we are not only involved in issuing new resolutions, but also in providing, directly in the enterprises, specific aid from ministry staff. However, in no way do I wish to defend those workers from the center who bide their time and who want to merely somehow survive today's difficult period in the spirit of the principle "whoever does nothing cannot make any mistakes."

An Active Role for Everyone

The habit of relying on detailed mandatory instructions from above that is common in basically honest people, presents serious obstacles to the quicker progress of restructuring the economic mechanism. Such an approach makes entry into the new conditions at the 2,300 newly founded state enterprises more difficult. In this change the employees, rightly, do not see a mere organizational matter, they see the beginning of a new system of management. Of course, this is not only a matter for the economic or self-management organ, for the party or trade union organization. Everyone must play their own active role in this. However, none of them must expect change to come from above on its own, but must develop their own initiative. In truth, however, it is necessary to say that this is not only their fault. Many people—in leading and in rank and file posts—have grown used to relying on others, to waiting for the official point of view, and to believing that someone at the top will work everything out.

Being a socialist citizen and a real manager requires an attitude of joint responsibility, a demonstration of individual initiative within the framework of economic independence and the law on the state enterprise, the rationalization of intra-enterprise management, a reduction of the administrative apparatus, the simplifying of organizational relationships, and the breaking down of economic accountability into primary components. Meantime, we have very few examples of this utilization of the broad possibilities of entrepreneurial activity. More often we come across another type of initiative—in the direction of exempting tasks, reducing plans, seeking subsidies, and looking for all the possible reasons to provide exceptions. These and similar approaches are not helping restructuring but, on the contrary, are holding it back and slowing it down and, I do not hesitate to say this, they are also directly discrediting it. In addition, it is essential to be clear in this matter so that no one can make any excuses for anything or hide behind someone else's skirts.

Rejecting the incorrect efforts by the management of some state enterprises, however, does not mean overlooking justified demands. We support the criticism of

backwardness, but enterprises must earn the money for their own modernization. It is possible to provide resources from the state budget only in exceptional cases. What can I say to the ideas which demand everywhere that we equip each workplace all at once with the most modern technology, and that we supply all the shops with a broad selection of quality goods? No one has such a magic wand. It would be irresponsible to promise something like this. Why can we set only modest tasks for the very near future in improving the economic situation? The main reason is that we are not approaching important changes in the economy during a period of economic prosperity, in time, and we are not sufficiently well prepared.

Therefore, it is not realistic to count on some kind of quick results. We have an outdated and, for this reason, inefficient structure for the national economy. A large part of our basic production assets have been written off. We must put on a spurt in the rate of scientific and technical progress. The economic mechanism to date has already come to the end of its road, but now we are starting to introduce a new one. The level of management and the quality of senior managers corresponds to these conditions. All of these factors contain a great deal of inertia. I mention these facts—which I have already spoken about at the Federal Assembly—in order to provide a graphic picture of the complexity of the tasks which confront the government.

Drawing the Necessary Lessons From the Past

We have neither the time nor the energy to dwell in detail on the past. However, we must draw the necessary lessons from it, otherwise we will make no forward progress. None of us has any doubts about this. But this is not only a government matter as it perhaps may seem from the ZEMEDLSKE NOVINY commentary of 27 June of this year on the government report on the state of the national economy. It says that "meantime, it has continued to state present problems rather than dwell in detail on their long-term development and, first and foremost, on the causes which led to them." Voices can also be heard saying that we need to indicate the point-blank responsibility of individuals for the present state of the economy. What can I say about this? First and foremost, that the appropriate party organs, together with the scientific institutions, have an irreplaceable role in the analysis of these matters. We reckon that the preparation of the groundwork for the 18th CPCZ Congress is an opportunity to adopt a point of view on these issues.

The preparations for entry into next year are extraordinarily complicated and difficult. We still have a great deal of work left to do in the second half of this year. However, we do not see the risk of introducing the new economic mechanism only in the approval of documents. Adherence to all the deadlines alone will not be decisive for our entry into the new year, but the high quality of the documents under preparation will be decisive. It is impossible to be misleading in this. We do

not wish to gain time at the expense of the comprehensive discussion of the issues. On the contrary, we are endeavoring to proceed along a road of regular consultations with organs of the National Front, with social organizations, with the national governments, and with the lower components of management.

However, I want to say frankly that the thorough guaranteeing of the tasks for next year requires that we better prepare individual elements of the political system and the whole economic sphere for the new conditions. We know that the main thing only begins with the adoption of the resolution by the government—practical implementation activity and the realization of concrete steps. In order to manage realistically, to govern democratically, to correctly express the will of the people, and to effectively implement their interests, responsibility must be taken not only for decisionmaking but also for a real change in the situation. So far we cannot be satisfied with this. In these weak points we do not see bad will alone or a dislike of parting with the old and learning the new. Each new thing must get into the bloodstream, be experienced, be fixed in the mind, become a matter of course, and a habit. It would be an illusion not to reckon with this fact. It is impossible to avoid this type of difficulty, but we must facilitate and expedite the adoption of new things.

Why are changes in some places coming about too slowly and only in a partial manner? This is not the fault of the working and citizens' collectives, in whose interest we are carrying out restructuring. Progress is faster where senior economic managers, and CrCZ, National Front, and national committee functionaries are standing in the forefront of positive changes. Today no one can use as an excuse a lack of scope for independence and initiative, or can complain about a lack of understanding from above. A passive approach reveals only bad preparation for today's tasks, the inability to cope with an entrusted position, and a low level of responsibility for collectives and society.

Faithfulness to the Principles of Socialism

It would be a mistake to overlook the fact that hopes of eradicating the deformations of socialism are also accompanied by some people's fears for its further development in our country and in the world. One cannot be surprised that for many people, after many decades of declared opinions, it is not easy to come to terms with the great changes of the present months, weeks, and days. Much of what they long considered to be the foundations of socialism has not weathered the test of time or has lost its legitimacy. New, previously unknown, phenomena are evolving. Can socialist society remain rooted to the spot and avoid responding to the new facts of science and technology, to the sharp turnaround in international relations, and to the fundamental shift in thinking and in stances, especially of the younger generation? Is it possible to live off the past, to rely on acquired positions, and to depend only on the strength of traditions? Yes, perhaps

temporarily, but only at great cost. The fact that it is necessary, sooner or later, to pay heavily for stagnation is borne out by the experiences of restructuring in the USSR and other countries. Is lagging behind the needs of life perhaps intrinsic to socialism, as its opponents are trying to assert? Not by any means. On the contrary, backwardness is a fundamental negation of the essence of socialism as the revolutionary and continually innovative achievement of the masses led by the communist avant-garde.

One frequently discusses what socialism and the faithfulness to its principles mean in concrete terms. For people who have dedicated their lives to its ideas and to restructuring this is in many respects the issue of the purpose of the fulfillment of their long-lasting efforts and work. Genuine faithfulness to the ideals of socialism demands that one's attention be turned away from the past—even though it is connected with one's own youth, with tough political struggles, many sacrifices, and real results—to seek the needs and opportunities of tomorrow.

We should not interpret socialism as some sort of consummate, eternally valid dogma. Socialism is created through the common endeavor of many countries, it ensues from the positive and negative experience of restructuring. A number of things are still at the discussion stage and many experiments are being carried out. One thing is certain, however. Socialism cannot be a society of general shortages and self-denial, but nor is it a society of profligacy and waste. The criterion was, is, and will be the creation of conditions to meet people's material and intellectual values [hodnoty] to successfully compete with the capitalist states in labor productivity, standard of living, and the implementation of man's rights.

We understand socialism as the incessant restructuring of what has already been achieved, in harmony with the experience acquired and taking into consideration the changing conditions and increasing needs of life. However, this changes nothing of the fact that the principles of our system which serve the development of man remain firm and viable. They must be safeguarded. However, concrete ways must be critically assessed—everything that has proven itself and is useful must be used, we must drop what is wrong and outdated, we must seek new forms and more efficient ways.

Proceeding Responsibly When Coping With Present-Day Tasks

Care to preserve hard-won things of value is quite justified. However, its strength lies not only in recalling the past, but above all in responsibly preparing for coping with present-day tasks. This is not easy for anyone. This could even be painful, but this is the only road forward.

The Warsaw Pact countries also proceeded from such a standpoint when they agreed at the recent consultation in Bucharest that there "exist no universal socialist models and that no one has a monopoly on truth."

Building a new society is a creative process which is being carried out in each country in harmony with its conditions, traditions, and needs."

I have already said that in the second half of the year, the Federal Government will address a number of important issues. One group of them is connected with the preparations for the Ninth 5-Year Plan and a long-term outlook. What is involved are weighty documents which will become the subject of a broad discussion and one of the parts of the agenda of the 18th CPCZ Congress. This time it will not be a run-of-the-mill task, a mere extension of the existing social and economic development, or an extensive continuation of the existing production programs. On the contrary, this time the success of these intentions will depend, above all, on the ability to correctly determine the quality of the further economic growth, to delineate our position in Europe and in the world for the beginning of the new millennium.

We are also facing the responsible task of having the center's preparation of the fundamental national economic objectives properly dovetail with the working out of development programs for individual state enterprises. This combination will not be—as has been the case until now—an administrative affair, a mere mechanical itemization from the top down. It will be an economic harmonization of national and enterprise interests through newly created economic mechanisms. This will not be devoid of problems. Enterprises will rightly want to make use of their independence to manufacture and export within the framework of self-financing with the greatest possible profit. On the other hand, however, they must comply with their duty—stipulated in the Law on State Enterprises, as well as in the Law on National Economic Planning—to ensure the needs of society. This is quite a new position for the managing center and the enterprise sphere. In many respects the quality of the Ninth 5-Year Plan will depend on how we succeeded in fine-tuning the joint course.

We regard the working out of a comprehensive program of structural changes as one of the most important things. I do not want to go into details. I spoke about them at the Federal Assembly and we will gradually be working them out. However, in no case will this be an affair of the ministries alone. State enterprises must play a big role in this, because they themselves know best how to concretely carry out a reorientation toward more efficient production and, at the same time, how to resolve social issues concerning employees. Here, too, there is no need to mark time. The sooner the individual enterprises begin clarifying their prospects, the easier and faster they will cope with those changes.

Much still lies ahead of us that is connected with drafting new laws pertaining to the creation of legislative conditions for restructuring the economic mechanism. Following the resolution of issues connected with restructuring, the problem of financial instruments has emerged. Without this we will not be able to advance, since precisely the

financial economic sphere is one of the weakest links in our economy and is marked by all the consequences of underestimating the money-market relations, market, and economic instruments. What will be involved, for example, will be the preparation of a law on levies for the state budget, income tax, banks and savings banks, the draft of a law on foreign currency, and a government regulation on the financial management of state enterprises.

In parallel with those issues, we are preparing rules for normally steering the development of the economy. We cannot assume that the new economic mechanism will begin to function fully and in a highly effective way beginning 1 January, or that all people will know how to, or be willing to, act in accordance with its principles. In order to restore both the internal and external economic balance, the government cannot let matters take their unbridled course and wait to see if disproportions resolve themselves automatically. In essence, the temporary parallel running of two different systems has come to an end. A number of aspects of the system based on economic levers will begin to operate only gradually, and not fully. The implementation of the new principles is curtailed by signs of both internal and external imbalance.

Importance of Strong Social Policy

We want to pay great attention to modernizing the production-technical base of the engineering and electrical engineering sectors, to concepts for further developing the construction and communications sectors, to the domestic market, the nutrition of the population, and many other issues.

We will also be resolving many serious problems in the sociopolitical sphere. We are facing the important decision about how—under conditions in which there is a shortage of resources—to fulfill the justified demand for a strong social policy, for gradually overcoming the lagging in this sphere. Ahead of us lies the organizational restructuring of the nonproduction sphere and the determination of the main directions for the development of the individual spheres.

We consider care for people's health to be a particularly important sphere. We achieved quite something here, and a number of aspects of this even set the tone in the world with respect to free, quality medical care. As regards the quality aspect, even today we are not badly off. We have one doctor for 318 people, we spend Kcs2,305 per person, and the total expenditure for health care is more than Kcs31 billion. However, as a consequence of the discord between the growing needs and the actual results, people are very much affected by the long-lasting weak spots in this sector. The partial intervention to date that has been made in this sphere on the initiative of party bodies and governments has yielded only temporary results. We are facing the necessity to work out a new concept—an organizational, production-technical, cadre, and financial concept.

The example of health care also shows that continuing along the present path would only lead to deepening stagnation and the people's dissatisfaction. Together we must figure out how to make it correspond to the growing needs and economic potential. A further lag is unacceptable, we have no means to finance extensive development. We are devoting ourselves, in particular, to combining more effectively the potential of the state bodies, social organizations, and production and non-production enterprises, including the share of individual citizens. We will tear down unnecessary administrative barriers and put an end to paper shuffling, strengthen the powers of lower components, and simplify management. We are striving to improve the supply of medicines.

Together with strengthening preventive medical care, the enhancement of the role of physical culture, sports, and tourism is also coming to the fore. The more opportunity our citizens, and especially children, will have for activities in playgrounds, gymnasia, swimming pools, and in nature, the less medical care they will need. The majority of the developed countries have acknowledged this wise experience and there is no reason why we should not also abide by it. All the more so since we have been pioneers in quite a few respects. In the future, we must regard physical fitness and the health of the nation as the most valuable "gold medal". Together with the Czechoslovak Physical Education Association, we want to seek the most comfortable path to implementing these intentions.

A similarly complex task also awaits us regarding ensuring the further development of the educational system, care for children and youth, and working out a housing policy concept.

Worked Out, Conceptual Programs

From the concise enumeration of the main directions of the government's activity in the next period, one can see the great extent, as well as the weightiness, of the programmatic documents which are being prepared. To a far greater extent than in the past, we are concentrating on long-term conceptual programs beyond the year 2000. By doing this, it is not our intention to resolve things for those who will come after us, or to bind their hands with details. What we are interested in is to be able to rely on worked out concepts at every step of our procedure. In particular, the decisions we made in the sphere of capital construction predetermine the state of the economy and thus also of the standard of living for a long time to come. If we do not take this into account, we would have to rectify these errors with great difficulty and at great cost in the future. Not so long ago in an internal party report I read criticism from the South Bohemian region concerning a government decision, expressing disagreement with the ban on the start-up of new capital investment projects. There have been quite a few reasons for this. In the first place, we want the new projects to be in harmony with the program of structural changes, so that we would at last prevent an increase in the unfinished projects and put an end to the shortage of construction

capacities and material. Regarding some projects of an ecological nature which, allegedly, should not be started in the Ceske Budejovice District, it will be necessary to evaluate the matter in concrete terms.

Of late, in some regions, including the South Moravian region, there has been speculation about planned price measures. How is one to react to this? We have already expressed the government's fundamental standpoint on that issue several times. In no case will we undertake something that would endanger the achieved standard of living of the population. We will always keep in mind the harmony between prices, wages, and social policy. In connection with the restructuring of the economic mechanism and the preparations for the Ninth 5-Year Plan, we are addressing the development of monetary incomes, cost of living, and retail prices. In 35 years—in the 1953-88 period—the average monthly wages of an employee in the socialist sector of the national economy (united agricultural cooperatives excluded) rose from Kcs1,097 to Kcs3,143, that is, 2.7-fold, whereas real wages rose 2.5-fold. In that period the cost of living rose by 10.8 percent, even though this indicator does not sufficiently illustrate the changed range of goods. In the past 25 years, real monetary incomes increased 5.4-fold. Of course, these are average indicators which cannot illustrate the differentiation between incomes and the standard of living. To us these overall figures are not sufficient, we are realistically evaluating problems confronting various strata of the population, especially pensioners and young couples. We are aware that the public is to a very great extent used to stable retail prices, but at the same time we are also aware of the negative aspects of that phenomenon, especially the insufficiently flexible reaction of the production sector to the population's demand, maintaining inefficient production and unsuitable consumption structures.

We have a large consumption of foodstuffs which are relatively inexpensive. This leads to disproportionate, irrational consumption and waste, and in some cases even to feeding these foodstuffs to cattle. The difference between the relatively inexpensive foodstuffs and expensive industrial goods leads to a high consumption of foodstuffs and low expenditure for industrial goods. At the same time, this year the state budget will subsidize foodstuffs (including the agricultural sector) to the tune of about Kcs60 billion, which constitutes Kcs3,840 per capita annually. Each purchase of foodstuffs worth Kcs100 is subsidized more than Kcs40 from the state budget to maintain the existing level of retail prices. Why have I mentioned these facts? Not to signal some sort of overall higher costs, but to make it possible for every citizen to understand that the advantage of low and stable food prices has to be paid for by many problems in our economy and, in the end, also by some difficulties in supplies. The government considers it correct to reassess, whenever necessary, the prices of those groups of products that do not constitute the basic needs. By flexible adjustments upwards and downwards it is possible to

create better conditions for their production and sales. Changes that are within the power of the price organs must be regarded as something natural.

We have received a number of reports on so-called hidden price hikes. We are aware of these negative phenomena and are determined to oppose them. Under the pressure of the plan's tasks and in a way that is at variance with the national needs, many economic organizations have been increasing the proportion of goods in higher price categories and reducing the proportion of standard products in low-price categories. The practice has been occurring of pushing through higher prices which do not correspond to the increase in the products' utility value. We consider this sort of thing to be a violation of price discipline and the government's economic policy. It is clear that even trade organizations are not averse to such practices, because they make it quicker and easier to meet retail trade turnover targets. Therefore, we are considering setting up a consumers' protection organization.

We Can Assert Ourselves Only By Manufacturing Goods of a High Technical Standard

One of the pronounced features of the government's current economic policy is to purposefully link domestic contexts with foreign contexts. The times when one could—on the basis of interstate agreements—sell everything regardless of quality, are gone. The difference between demanding and undemanding markets is gradually disappearing; everybody demands high technical standards. When drafting the 5-year plan, we must think more than ever about what the world markets are interested in, what is profitable to export, and with what resources we will pay for imports. Not only the personnel in the center, but also state enterprises must think along these lines. This constitutes a great change compared with the existing practice, but no one is going to wait for us. We must learn as fast as possible to keep markets which we have won, and be able to assert ourselves in fierce economic competition. Any delay, any postponement would have serious consequences for both our economy and the people's standard of living. The government has been very active in that sphere. In some aspects we have been successful, in others we must try harder. But it is the case here too that without smoothly operating enterprises, without expanding direct relations and production cooperations, the situation in foreign trade and the entire national economy cannot improve.

I do not want to repeat facts about our positive and negative balances in foreign trade. Here, too, we have embarked upon an extensive flow of information. However, nationwide data are not everything. The work collectives in individual enterprises, too, should know for how much their products are being sold, and what the advantages and weak spots of their products are compared with foreign products. Having been isolated from world developments, the insufficient ties of our manufacturers with world markets and the separation of

production activities from commercial activities have contributed to our lagging behind. Under the current conditions of rapid assertion of integration trends it is in our interest to overcome that state of affairs as fast as possible. The West European countries are on the way to a common market. We must not remain inactive to this challenge. On the contrary, we must intensify efforts to assert ourselves in competition with developed states. Other countries have managed to gain good positions on world markets in a short time. There is no reason why also we should assert ourselves in that sphere. However, this requires a good knowledge of the world situation, the courage to seek and implement new forms of cooperation, assimilate entrepreneurship and flexibility, and assert ourselves with good ideas and the high quality of our products. However, this also presumes a new look at CEMA's role and the way relations with the Soviet Union and the other socialist states are developing. The government recently discussed the state of the coordination of the national economic plans with the CEMA member states for the 1991-95 period. The situation is not simple. We must respect the specific features of individual countries, their endeavor to import only what they most need, and we must give preference to state-of-the-art machinery. We are looking for unused potential to expand exports of consumer goods. You certainly have it in your region, too.

Becoming Expediently Involved in International Cooperation

The attention we pay to developing international cooperation with the world does not arise solely from narrow economic motives. It is also part of an effort to become more extensively involved in the internationalization of social life. We stand fully behind the great, weighty, and future-oriented ideas voiced by the highest Soviet representative, Mikhail Gorbachev, in the Council of Europe in Strasbourg on 7 July. Our country, situated in the center of the continent, warmly welcomed the proposal for a restructuring of the international order in Europe which would radically shift the Europe-wide values to the foreground, and make it possible to replace the traditional balance of forces by a balance of interests. We are becoming actively involved in the process of creative cooperation among nations to form a concept of European unification. We support the orientation toward the establishment of an extensive economic zone from the Atlantic to the Urals, we want to take part in maintaining the ecological purity of the common European home. We favor the creation of a European legal order, as well as broad cooperation in the cultural sphere. We are proud that the idea of creating the common European home was proclaimed in Prague. Within 2 years, it has won broad support and our country, too, is actively contributing to its gradual assertion in life.

The key to the further progress of restructuring in our country is the ability of the party as a whole—not only in the center, but also at every worksite and in every place—to take a position at its head. The seventh and

ninth CPCZ Central Committee sessions provided a good foundation for this. Something has changed, but in the light of the ongoing social changes it is not enough. A loss of influence and authority occurs where the pace of restructuring in party collectives lags behind changes in the economic mechanism and the activation of social organizations. In the interest of both the party and society, this cannot be permitted. Communists are increasingly being given tasks which they were not previously used to. The most important thing will be to master the political methods of work among people. Good will alone is not enough; this needs the ability to see new phenomena faster than others, correctly orient oneself to them, and be better able than others to persuade people of the truth.

It is not true that restructuring might diminish the role of the party. On the contrary, it requires the party's more extensive and more offensive realization. But to do this it is not enough only to talk about its role as a vanguard, but implement this role through activity and awareness,

initiative and unity. Everyday contact with people and a systematic reaction to the development of events in localities, in the republic, in neighboring countries, and in the world should be a matter of course. On the other hand, it is necessary to abandon what the party is not intended to do. By this I mean, in particular, replacing, or duplicating the economic, state, and social bodies. This frequently saps strength and absorbs the time needed to wage the political struggle to translate restructuring into life in order to strengthen the prestige, authority, and attractiveness of socialism.

The South Bohemian party organization is not numerically the strongest, but in the past it always succeeded in making the most of the potential of its cadres, of the selflessness of its members, and the maturity of the aktiv. I am convinced that, together with the citizens of the region, it will also fulfill its role with honor in this complex period. I wish you much success, revolutionary determination, and health for this.

Honecker Sends Condolences on U.S. Plane Crash
AU2507153389 East Berlin NEUES DEUTSCHLAND
in German 21 Jul 89 p 1

[ND report: "GDR Condolences Conveyed"]

[Text] East Berlin—Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany [SED], has sent the following telegram of condolences to U.S. President George Bush:

On the tragic plane crash in the state of Iowa I convey to you and to the relatives of the victims of the disaster my most profound sympathy.

Erich Honecker,

General secretary of the SED Central Committee and chairman of the GDR State Council.

U.S. 'Pure First-Strike Weapon' Criticized
LD2507195589 East Berlin Domestic Service
in German 1709 GMT 24 Jul 89

[Gunter Leuschner commentary on the 'Die Welt Gestern, Heute und Morgen' program]

[Excerpts] [passage omitted] The new U.S. bomber currently under discussion is technologically a pure first-strike weapon, designed for a surprise attack. How does that project fit in with the Vienna and Geneva negotiations? It seems it does not fit at all. Its implementation would mean no reduction of the U.S. offensive capability; rather an enhancement. Whoever spends vast sums for such a project today—irrespective of a budgetary deficit—how will he convert his air force into a pure defensive force tomorrow? That contradiction is the actual essence of the problem, demonstrating the U.S. disarmament policy's ambiguity. Though Washington is prepared to include fighter aircraft in the Vienna negotiations after having hesitated for a very long time, thus being willing to reduce the number of weapons in fields where the West has a lead according to INTERNATIONAL HERALD TRIBUNE, it is nevertheless planned that the role of the air force as an offensive force should remain. Only such plans can give meaning to that grim struggle for the B-2 bomber.

To reach that goal, there were obviously even manipulations in the West. When NATO 1 and ½ weeks ago presented its proposal in Vienna to reduce the number of its fighter aircraft in Europe to 5,400 planes, calling that a 150 percent reduction from its current level, it became evident that those figures could not be correct—for it was really in Autumn 1988 that NATO asserted in official documents that it owned only 4,500 such planes, which is some 2,000 less than recently stated. [passage omitted]

Even more wondrous than what I just mentioned may be the fact that but for that newspaper [INTERNATIONAL HERALD TRIBUNE] nobody else in the West noticed

that fake. Imagine something similar had happened somewhere else. In that connection, such cheating is not going to create confidence. [passage omitted]

USSR Comments on Troop Withdrawal, Exercises
AU2507141989 East Berlin NEUES DEUTSCHLAND
in German 24 Jul 89 p 1

[ADN report: "USSR Defense Ministry on Withdrawal of Soviet Troops From the GDR and the Hungarian People's Republic"]

[Text] Moscow (ADN)—The withdrawal of Soviet troops from the GDR and the Hungarian People's Republic is taking place in line with the decision of the Soviet Government on the reduction of USSR Armed Forces, the USSR Defense Ministry announced on Saturday [22 July]. At the same time, the units are being given a new structure which corresponds to the defensive requirements of the Soviet military doctrine. In this connection, changes in the plan for the USSR's military activities in 1989, which have to be announced, have been made and the overall number of personnel who will participate in the announced troop exercises has been reduced:

- fewer than 13,000 Army members, instead of the planned 25,000 men, and fewer than 300 tanks will be used in the exercises on the GDR's territory in September;
- about 11,000 instead of 13,000 men will be used in the exercises in the Hungarian People's Republic in October;
- about 1,500 men instead of 3,500 will participate in the exercises of airborne troops in the Baltic military district;
- about 13,000 men instead of 16,500 men will be used in the exercises in the CSSR in September and October.

The ministry announced that all CSCE states will receive timely information about the changes in the USSR's military activities, which have to be announced.

Festive Line Up at Dresden Military Academy
AU2507130389 East Berlin NEUES DEUTSCHLAND
in German 21 Jul 89 p 2

[ADN report: "Diplomas Handed Over at Dresden Military Academy"]

[Excerpts] Dresden (ADN)—At a festive line up at the "Friedrich Engels" Military Academy in Dresden on Thursday [20 July], graduates of the class of 1989 were discharged for service in the troops and staffs. At the line up appeared future commanders, political and staff officers of the National people's Army, the GDR border troops, and the other protection and security organs, together with graduates from the USSR Armed Forces, the Polish Army, and the CSSR People's Army.

Colonel General Fritz Streletz, deputy defense minister and chief of the Main Staff of the National People's Army, conveyed greetings and congratulations from Army General Heinz Kessler, member of the Politburo

of the Central Committee of the Socialist Unity Party of Germany and minister of national defense. He handed the officers their diplomas. [passage omitted]

In his speech Colonel General Fritz Streletz paid tribute to the performances of the graduates and thanked the leadership and the teaching staff of the GDR's highest military training institution for the exemplary results in the officers' basic and advanced training. With this they have made a contribution to the forthcoming anniversary of the republic, which fits into the successful balance sheet of the GDR working people. Referring to the session of the Political Consultative Committee of the Warsaw Pact states in Bucharest, he discussed the positive changes in international relations which have not yet become irreversible—positive changes which were achieved as a result of the socialist states' active peace policy. "Influential forces in NATO continue to pursue a policy of strength and adhere to the military doctrine concept of nuclear deterrence, which provides for the first use of nuclear weapons," the speaker said. In view of this, the extent of the defense efforts of the socialist military coalition is not determined by wishful thinking, but by the degree of potential danger. [passage omitted]

Protest to FRG Over Airspace Violation 22 Jul
LD2507103989 East Berlin ADN International Service
in German 1011 GMT 25 Jul 89

[Text] Berlin (ADN)—On 22 July 1989 a single-engined aircraft from the FRG, a Morane-Saulnier, registration number D-EOBA, violated GDR airspace as it came from the FRG into Sonneberg district (Suhl area).

The GDR Permanent Mission to the FRG lodged a protest against the violation of GDR airspace with the FRG Federal Chancellor's Office and expressed the expectation that the competent authorities of the FRG will take measures to prevent future violations of GDR airspace.

Daily Views 20 July 1944, Neo-Nazis in FRG
AU2507194389 East Berlin NEUES DEUTSCHLAND
in German 20 Jul 89 p 2

["He." editorial: "No One Can Say He Has Not Been Warned"]

[Text] Today we commemorate those patriotic officers who made a putsch attempt with their attack on Hitler on 20 July 1944, with the goal to eliminate the fascist regime of terror and to end the war. We dedicate an article in this edition to the courageous men around Colonel Count Stauffenberg.

They are also commemorated in the FRG and in Berlin (West), where many of them were killed in the yard of the Army Supreme Command in former Bendlerstrasse and in the Plötzensee Prison. In this connection, a statement that was published a few days ago is interesting, in which the "Research Group 20 July" warns against dangerous activities of those "Republicans," who mourn Hitler's

state and derive their "program" from the evil spirit of fascism. Ruediger von Voss, the chairman of this research group, stressed that the center of the memorial services is the depressing question of whether a renaissance of the ultrarightists will take place in the FRG.

Voss, descendent of one of the officers executed by the Nazi judiciary in 1944, recalls the slanderous verbal excesses of Schoenhuber, a former SS man and chairman of the "Republicans," against the men around Stauffenberg. A very necessary remembrance, it seems. Because while today good and noble words are said or written in the FRG and in Berlin (West), the new brown morass is steadily spewing forth its poisonous blossoms.

This would be bad enough, but there are also completely different phenomena. Certain people in the Christian Democratic Union and the Christian Social Union are loudly thinking about a potential coalition with the "Republicans" after the next elections, even though this is always immediately denied by the party headquarters. In other parties the brown danger is played down with the thesis that a "pluralistic democracy" must be able to "tolerate" all political forces. Yes, even this: If the neo-Nazis get more members, the other parties can more effectively stress their nature as a "center party." One has to ask which lessons were drawn there from Weimar and from the Nazis' rise to power.

But what about the state, the Bonn Government? Its Federal Post Office delivers the neo-Nazi brochures for free. Citizens defend themselves by putting stickers on their mailboxes: No Nazi mail! But, in response to a parliamentary inquiry, the FRG Government decided: A postman must not heed these stickers. He is "obligated to follow the orders of his superiors(!)."

And those who do not have enough with this example should think of the following: The number one item on the neo-Nazis' program is the reestablishment of the German Reich within the borders of 1937—thus, a revanchist declaration of war against the GDR, against Poland, against the Soviet Union, against the European status quo, and against the valid international law. However, exactly these revanchist demands for the "Reich" have recently been publicly made by at least three ministers of the Bonn Government.

Will everyone over there broach the subject of these dangerous connections and their consequences, as has been done by some people? No one can say that he has not been warned....

Honecker Congratulates Mubarak, Supports OAU
LD2507121989 East Berlin ADN International Service
in German 1034 GMT 25 Jul 89

[Text] Berlin ADN—The General secretary of the Socialist Unity Party of Germany Central Committee and chairman of the GDR State Council, Erich Honecker,

has paid tribute to the firm commitment of the Organization of African Unity [OAU] to peace, disarmament, and development, and to the peaceful settlement of conflicts on the African continent.

In a telegram of congratulations to the president of Egypt, Husni Mubarak, on the occasion of his election as chairman of the OAU, Erich Honecker stressed that the GDR supports the process of independence for Namibia which has now begun and is strongly committed to overcoming apartheid in South Africa. The efforts of the OAU and its member states to solve the problems of economic and social development were gaining constantly in importance for peaceful international relations, and these efforts need the support of all states.

Honecker, Stoph Greet PPR on 45th Anniversary
AU2507121689 East Berlin NEUES DEUTSCHLAND in German 22-23 Jul 89 p 1

[ND report: "Alliance With People's Poland Is Factor of Peace in Europe"]

[Text] East Berlin—Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany [SED] and chairman of the GDR State Council, and Willi Stoph, chairman of the GDR Council of Ministers, have sent the following telegram to Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers Party [PZPR] and president of the People's Republic of Poland [PPR], and to Mieczyslaw F. Rakowski, chairman of the PPR Council of Ministers:

Dear comrades:

On the occasion of the 45th anniversary of Poland's rebirth, we convey to you, the PZPR Central Committee, the PPR Council of Ministers, and the fraternal Polish people, most cordial greetings and congratulations on behalf of the SED Central Committee, the State Council, the Council of Ministers, and the people of the GDR.

With the proclamation of the July manifesto by the Polish Committee of National Liberation on 22 July 1944, the Polish people started into a new future. Since this memorable day, profound changes of historic significance have been achieved day by the working people in all fields of social life.

Thanks to the worker-peasant power on both sides of the Oder-Neisse peace border, for the first time in the history of the two peoples, lasting relations of friendship, mutual understanding, and overall cooperation have been developed.

In particular on the eve of the 50th anniversary of the attack on Poland by Hitler Germany and the beginning of World War II, we note with great satisfaction that the alliance between the GDR and the PPR, which has been developed on the basis of trusting cooperation between the SED and the PZPR, has proved an important factor

of stability and peace in Europe. We are convinced that, in the course of the purposeful implementation of the agreements concluded in Berlin on 22 May 1989, the varied cooperation between our socialist neighboring states will continue to be consolidated and deepened.

Rest assured that the Polish people will always have a loyal friend and reliable ally in the people of the GDR.

On your National Day we wish you and the working people of our neighboring country much success in solving the forthcoming big tasks. Please accept our best wishes for good health, creative energy, and well-being.

Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council;

Willi Stoph, chairman of the GDR Council of Ministers.

SED Greets Greek Party Chairman on Birthday
AU2507121389 East Berlin NEUES DEUTSCHLAND in German 20 Jul 89 p 2

[ND report: "Congratulations on Kharilaos Florakis' 75th Birthday"]

[Text] East Berlin—The Central Committee of the Socialist Unity Party of Germany has sent most cordial congratulations and fraternal militant greetings to Kharilaos Florakis, chairman of the Greek Communist Party on his 75th birthday. The greetings message, signed by Central Committee General Secretary Erich Honecker, pays tribute to Florakis' considerable contribution to the fact that today the Greek Communist Party is an influential force in Greece's political life, which is firmly rooted in the masses. Today, as in the past, the close, fraternal affinity between our two parties, which has always been a matter of the heart to Kharilaos Florakis, is proving its worth, the message says.

Technology Cooperation With PRC Discussed
AU2507125689 East Berlin NEUES DEUTSCHLAND in German 22-23 Jul 89 p 2

[ADN report: "Cooperation Between GDR and PRC Discussed"]

[Text] East Berlin (ADN)—Mutually interesting questions of the economical use of material and technical supplies to the national economy were discussed by Wolfgang Rauchfuss, deputy chairman of the GDR Council of Ministers and minister of material management, and Cai Ninglin, PRC deputy minister of material and equipment [title as published], during a working meeting in Berlin on Friday [21 July]. Cai Ninglin has been in the GDR for a several-day exchange of experiences since last Monday [17 July], together with a delegation of his ministry.

During the friendly and constructive discussion, Wolfgang Rauchfuss briefed his guest on the varied competition initiatives in honor of the 12th Congress of the Socialist Unity Party of Germany and the 40th anniversary of the GDR, in which the struggle for high results in the economical use of material and the reliable safeguarding of the plan fulfillment through material and technology have a firm place. This fully corresponds to the SED's orientation, toward continuing to guarantee production growth while using the same amount of or sometimes less energy, raw materials, and other materials, thus establishing important preconditions for continuing the tested political course of the unity of economic and social policy.

Cai Ninglin pointed out that on the 40th anniversary of the founding of the PRC great things are being achieved by the working people in order to successfully continue the continuous, steady, and coordinated development of the economy. Wolfgang Rauchfuss and Cai Ninglin concurrently stated their interest in closer cooperation in the fields of the economical use of materials and of material management and agreed on appropriate measures and topics.

The meeting was attended by Liu Changye, PRC charge d'affaires ad interim in the GDR.

Boehme, Delegation Meet Nicaraguan Minister Ruiz
AU2507195389 East Berlin NEUES DEUTSCHLAND
in German 20 Jul 89 p 7

[ADN report: "GDR Delegation Visited Jinotepe Training Center"]

[Text] Managua (ADN)—The GDR delegation headed by Hans-Joachim Boehme, which is currently staying in Nicaragua, visited the "Ernst Thaelmann" polytechnical training center in Jinotepe after handing over operating theaters in "Carlos Marx" Hospital, which has been financed by donations from GDR citizens, on Tuesday [18 July]. After a joint visit to the hospital facilities, which were built by the GDR, Hans-Joachim Boehme met with Henry Ruiz, member of the National Directorate of the Sandinist National Liberation Front (FSLN) and minister of international cooperation, for a comprehensive exchange of views. The FSLN politician expressed thanks for the generous GDR support for his country, which is particularly expressed in the "Carlos Marx" Hospital and the Jinotepe training center where friendship brigades of the Free German Youth are working. This is quick and effective aid. With their example

the young people from the GDR have motivated the young people in Nicaragua. During the cordial and frank talk about the further expansion of cooperation and on topical international problems, Henry Ruiz stressed the great contribution by Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the GDR State Council, to the cooperation with Nicaragua.

Trade, Supply Minister on Working Visit in Cuba
AU1807105989 East Berlin NEUES DEUTSCHLAND
in German 15-16 Jul 89 p 5

[ADN report: "GDR Minister Holds Talks in Cuba"]

[Text] Havana (ADN)—The deepening economic and scientific-technological cooperation between Cuba and the GDR was the focal point of talks held by GDR Minister of Trade and Supply Gerhard Briksa, who is on the Caribbean island for a working visit. He had discussions with Food Industry Minister Alejandro Roca and Domestic Trade Minister Manuel Vila Sosa.

The GDR minister attended the inauguration of a facility for the production of banana pulp in Ciego de Avila Province, which was built by the two states together.

Group of GDR-Trained Namibians Return Home
AU2007093989 East Berlin NEUES DEUTSCHLAND
in German 18 Jul 89 pp 1, 2

[Holger Wenk report: "We Came as Refugees, Now We Leave as Experts"]

[Excerpt] Berlin—Within the framework of the worldwide UN campaign for the voluntary return of Namibian refugees, 250 patriots of the southwest African country, who studied or underwent vocational training in the GDR, are now returning to their homeland. Last night the first of two IL 62 Interflug planes left from Berlin-Schoenefeld Airport for the flight to the Namibian capital city of Windhoek.

Before the first group of the Namibian friends left their host country, a solidarity meeting took place at the airport on late Monday evening [17 July]. The festive farewell ceremony was attended by Achim Reichardt, general secretary of the GDR solidarity Committee; Shikwetepo Haindongo, head of the representation of the South-West African People's Organization in the GDR; as well as teachers and friends of the departing Namibians. [passage omitted]

Nyers Returns From Moscow, Answers Questions
LD2507214889 Budapest Domestic Service
in Hungarian 2000 GMT 25 Jul 89

[Text] While he was on board the airplane returning from Moscow, Rezso Nyers replied to questions from journalists. Hungarian Radio was represented by Miklos Martin-Kovacs.

[Begin recording] [Martin-Kovacs] On behalf of Hungarian radio I want to ask: Obviously it is not indifferent to the Hungarian Socialist Workers Party [MSZMP], that for a long time Hungary has had no ambassador in the USSR; was this discussed at the talks, and what is your position, as party chairman, concerning this issue, especially seeing that not long ago Ilona Tatai, member of one of the party's leading bodies was given a hearing in the National Assembly's Foreign Affairs Committee, and the matter was sent back to government?

[Nyers] The issue of our ambassador was not mentioned in our talks. In my opinion, we must find a suitable person to fill the office of ambassador in Moscow as soon as possible, and we shall find one.

[Martin-Kovacs] Are there already candidates?

[Nyers] Yes, there are some, but they are candidates who have been selected but it has not been discussed with them; or at least perhaps it is now being discussed with them. So I cannot say anything else about this.

[P. Vajda] Peter Vajda, on behalf of NEPSZABADSAG: Was the matter of withdrawing Soviet troops discussed?

[Nyers] We reached an agreement in principle that it is necessary to continue further troop reductions, depending on the international situation. this process could be carried out in its entirety, in the future.

[Unidentified correspondent] I ask whether Comrade Nyers experienced any change in Soviet opinion, as regards Hungary?

[Nyers] I experienced as much change as follows from the advance of our reform process. They enquired a great deal about the process of constitutionalization, about the political conciliatory talks being held with the opposition roundtable and the third side. I have to say that we, on our part, emphasized that we will continue to strive for very close relations with the CPSU. At the same time we emphasized that we do not want, on the part of the MSZMP, to monopolize, as a privilege, Soviet-Hungarian relations. We consider it natural and something that accords with the country's interest that other parties and social movements should also create relations, and that relations should be established on the Soviet side, too, with other social groups. [end recording]

Ivanyi Meeting With Yakovlev
LD2507215889 Budapest MTI in English
1928 GMT 25 Jul 89

[Text] Moscow, July 25 (MTI)—Pal Ivanyi, member of the HSWP [Hungarian Socialist Worker's Party] political executive committee and secretary of the Central Committee, who accompanied Rezso Nyers and Karoly Grosz on their visit to Moscow, held talks with Aleksandr Yakovlev, member of the CPSU Central Committee Politburo and secretary of the Central Committee.

The sides surveyed how the two ruling parties could help renew and expand bilateral economic relations, and lay cooperation within the CMEA on new foundations.

Talks Held on Hungarian-Soviet Joint Bank
LD2507123989 Budapest MTI in English
0947 GMT 25 Jul 89

[Text] Budapest, July 25, 1989 (MTI-ECONews)—Representatives of the Hungarian Foreign Trade Bank and the Foreign Economic Bank of the Soviet Union are currently having talks on the establishment of a joint Hungarian-Soviet Bank.

It was the Soviet party that suggested the establishment of such a bank in the hope that it would promote the development of inter-state contacts. So far ten Hungarian-Soviet joint ventures have been set up, four of them in Hungary and six in the Soviet Union, and it is seen as essential now to have a joint bank that will handle all their financial affairs.

Hungarian and Soviet bankers have already held several rounds of talks but in the absence of any precedent or appropriate regulations, the business of setting up the joint bank seems to be making rather slow progress. Now banking experts are trying to establish exactly how profitable the new bank might be and decide on whether it should confine its activities to transferable rouble operations only, or to handle finances also in hard currency.

The bank is unlikely to be immediately profitable but is seen as indispensable as hard currency transactions are introduced into Hungarian-Soviet trade over the new few years.

The Hungarian government is contemplating a solution in which all joint ventures operating in Hungary and involved in Hungarian-Soviet trade, and not just Hungarian-Soviet [words indistinct], would begin trading in hard currency by 1990. This arrangement would already give the new bank considerable business in the first months of its operation.

Pozsgay on Need for Credible Leaders, Renewal
PM2507084889 Madrid ABC in Spanish
18 Jul 89 p 28

[Interview with Hungarian Socialist Workers Party Politburo member Imre Pozsgay by Ages Koroncz in Budapest; date not given]

[Excerpt] [Introductory passage omitted] [Koroncz] Those closely following the Hungarian changes from outside the country often wonder—since there is already a model which works more or less correctly in the world—why the Hungarians should wish to invent a third model. Will this new system still be socialist?

[Pozsgay] It will preserve the traditions of European socialism, but I am referring not to its Bolshevik traditions but to the socialist values of the second half of the last century. Socialism understood in this way has its essence in democracy; without democracy there can be no socialism. We must abide by the rule that socialism is for human beings—not the other way round. Human rights must not be sacrificed in the name of an abstract aim, as was done under dictatorial socialism.

[Koroncz] Tensions have built up in Hungary which could suddenly explode. There are those who fear that events could take an uncontrollable course...

[Pozsgay] That would happen only if the current processes were reversed. In this country catastrophes have always occurred when far-reaching decisions were curbed. There is no doubt that we are living under the pressure of an economic, political, and social crisis, and the economic crisis requires social restrictions which cause people to lose their sense of perspective and to concern themselves only with their worsening living conditions. That is why the economic measures must be followed by a race to achieve a political evolution before passions carry society away. The rate of the political changes must be accelerated, since the rate sustained so far is paralyzing the economy.

[Koroncz] The talks between the Hungarian Socialist Workers Party [MSZMP], the opposition parties, and the social organizations are continuing. In your opinion, how effective could this tripartite table be?

[Pozsgay] We believe that the three "sides" of it express this society's political wishes. On some issues we three have reached agreement: For instance, all sides have renounced the use of violence to gain power. The aim is to guide the transition peacefully and in a spirit of mutual trust, although, on the other hand, there is no doubt that there is a certain crisis of legitimization, not only with respect to the MSZMP but also with respect to the opposition, since they do not know the size of their social base before the elections, either.

[Koroncz] Is there a real basis for setting up a coalition government after the elections?

[Pozsgay] Of course there is. The MSZMP will remain the strongest party, but without an absolute majority.

[Koroncz] What should an MSZMP acceptable to the other political forces be like? Perhaps that party would no longer be the same?

[Pozsgay] We are asking ourselves the same thing. This party can win a relative majority in the elections if it shows its capacity for renewal and breaking with the past, and its willingness to reject the mistakes which have been made and to preserve the values of the last 40 years. A renewed program and leaders who have credibility are required.

[Koroncz] At the last MSZMP Central Committee meeting, a compromise was reached with the aim of uniting the various currents. How long can this compromise last?

[Pozsgay] If the three prerequisites which I mentioned are achieved, the party will not collapse. The compromise should operate until the 7 October congress, at which the new leadership will be elected. However, there is a strong reformist tendency within the party which knows what it wants. The is the point when the MSZMP members will decide on which side they stand. I believe that a sensible majority, committed to the whole nation, supports the reformist aspirations.

[Koroncz] Does that not mean the breakup of the party?

[Pozsgay] No. I believe that the sector attracted by dictatorial socialism is very small. Most party members can side with the reforms without remorse since they are not responsible for what happened in Hungary over the past 40 years.

[Koroncz] What did you have to give up in order to accept the aforementioned compromise within the party?

[Pozsgay] Hardly anything. My main principle—that is, that the current model must be changed—prevailed in this compromise. This was accepted. My historical analysis was also accepted. Where I had to back down was in the fact that I was in favor of a more rapid transition, whereas other members of the leadership wish to follow a more moderate course.

[Koroncz] It is almost taken for granted that you will be the first president of the republic following the introduction of this institution. If so, what would the Hungary planned by you be like?

[Pozsgay] I have already mentioned the points of the program. I also see a prosperous and peaceful Hungary with a clear identity here, in the Carpathian basin. This Hungary will be on good terms with its neighbors, with which it shares a common destiny. I hope that the current strains in this relationship will disappear, and I believe that neighborly relations will not mean any restriction on our country's sovereignty. The system of alliances, instead of obstructing, will support our links with the European institutions—for instance, the Council of Europe and the EC.

MTI Publishes Report on 1988 Foreign Trade

*LD240712289 Budapest MTI in English
1107 GMT 24 Jul 89*

[Text] Budapest, July 24, 1989 (MTI-Econews)—In a publication entitled "Reports From the Tunnel", independent experts from the Financial Research PLC [public-limited company] state that results achieved in Hungary's foreign trade last year are basically good, but that the figures conceal considerable tensions below the surface.

The convertible trade surplus amounted to about U.S. \$570 million last year, so that despite the fact that more interest had to be paid than expected, and the balance surplus from tourism was smaller than envisaged, the country was able to reduce the convertible current account deficit from \$930 million in 1987 to \$600 million (the forecast had been \$500 million).

Materials, including raw materials and semi-finished products for the iron and steel and chemical industries, as well as food industry basic materials, accounted for nearly half of the increase in export revenue.

Better than average results were achieved in the energy sector (a 28 per cent increase), in the iron and steel industry (up to 17 per cent), and in the food industry (a 15.4 per cent increase).

A convertible trade surplus was reached mainly through the sale of traditional products, and was due, to a considerable extent, to a world market boom in such products.

A number of government measures also contributed to the achievements, since they promoted—both singly and as a package—convertible-currency trade, while at the same time also exerting a distorting effect.

The forint was devalued several times, which resulted in a cut in export-related budget support. Import restrictions were extended in scope, resulting in an increase in barter deals.

The most serious problem in ruble-accounting trade for 1988 was that Hungary continued to play the role of creditor in relation to its partners, a situation which has existed since 1985.

Last year's figures reveal that it is impossible to even maintain the level of imports, and so to redress the balance, exports need to be drastically cut. Nevertheless Hungarian companies did, to some extent manage to curb ruble-accounting exports, through the export of some of the goods produced by the iron and steel industry, the machine industry, and the food industry, to Western markets rather than to COMECON countries.

The report states that the product structure in foreign trade has strengthened and even preserved the old foreign trade structure,—reminiscent of colonial times—and the government programme itself is set to go even further along this line.

Agricultural Talks With EC Reported 'Promising'

*LD2507110389 Budapest MTI in English
0924 GMT 25 Jul 89*

[Text] Budapest, July 25, 1989 (MTI-ECONews)—Talks currently under way in Brussels on better access for Hungarian agricultural products to the EC-market are looking promising, diplomatic sources told ECONews in the Belgian capital.

Under discussion are traditional Hungarian export items such as sausages, goose liver, other poultry-products, paprika spice, vegetables and beef.

The talks are aimed at reducing some of the EC's levies and tariffs on these products, which, in turn, will enable Hungarian exporters to be more competitive on the EC market.

Diplomats working in Brussels have suggested that the talks on the Polish-EC agreement on trade and economic cooperation should have a strongly positive effect on the outcome of the Hungarian-EC negotiations. It is expected that the Polish-EC agreement will include some EC concession on Polish exports, treatment which is also likely to be extended to Hungary.

There already exists an agreement on trade and economic cooperation between Hungary and the EC, the first ever signed by the community with an East European country, but that was finalised last September, before the present surge of goodwill towards Poland and Hungary.

In that agreement there are no actual EC concession mentioned on agricultural trade, except a vague sentence on the need for exploratory talks on eventual mutual concessions. On this subject, diplomatic sources said in Brussels that progress so far in the Hungarian-EC talks on Hungarian agricultural exports was "very encouraging."

Hungarian agricultural exports have been a clear victim of the EC's cap since its inception. The share of agricultural products in Hungary's total exports to the EC region has fallen from 60 percent in the sixties to a mere 30 percent last year, when Hungarian exports totalled USD 2.24 billion, an increase on the 1987 figure of USD [U.S. dollars] 1.9 billion.

MDF Opens First Provincial Office in Pecs

*LD2507105889 Budapest MTI in English
0910 GMT 25 Jul 89*

[Text] Budapest, July 25 (MTI)—The Hungarian Democratic Forum (MDF) has opened its first permanent provincial office in Pecs. The functions of the office include coordinating for local opposition forces, MDF activists said in Pecs.

The Hungarian Democratic Forum comprises nine local organizations in Baranya County. A coordinating council had been formed and guiding principles set for the operation of the office.

Walesa Comments on Consultations With Jaruzelski
LD2507184289 Warsaw Television Service
in Polish 1730 GMT 25 Jul 89

[Text] President Wojciech Jaruzelski today continued consultations with representatives of political and social forces before appointing a new government.

At Belweder Palace he met Lech Walesa, who had shortened his vacation to come to Warsaw. The conversation started at 1500. By virtue of its working character it took place without the participation of journalists. Television teams and photographers were allowed to take pictures outside the president's office. After the meeting with the president, Lech Walesa came to the Sejm building for a meeting with the Citizens' Parliamentary Floor Group [OKP]. Before going in, he answered a question from television news.

[Begin recording] [First unidentified reporter] Mr Chairman, what did you talk about at Belweder?

[Walesa] I was there 2 hours, so it was a long talk, almost 2 hours.

[First reporter] Was it interesting?

[Walesa] Very interesting. Of course, we touched on many matters with Mr President. I must say that I do not envy the president. He has an awful lot of problems. Of course, our philosophies, our approaches to the premiership, the government, are different. That is, the general maintains this idea of a grand coalition, and from his point of view, as the president, he is right. On the other hand we, as the opposition, are also right. It is difficult to reconcile these two rights.

I know that someone will say that you are playing with Poland. No, we are not playing with Poland. We remain, we help, we support the government. We will continue to do so. We will always support it when it will be reforming itself, when it will be going in the direction of pluralism and democracy. On the other hand, we remain an opposition that is keeping its eye on things so that the government does not wander from the path of reform. It will be more convenient for us in opposition because we will concentrate on the supervision of the road of reforms and not on other things to which we have not even matured yet.

[Second unidentified reporter] [words indistinct] an easier road than taking on responsibility?

[Walesa] That is, in sum, we are all responsible for Poland. On the other hand, this, this, there is as much responsibility as there is participation. This participation would be smaller than we, than we (?deserve).

[First reporter] What was the reaction of the president to (this).

[Walesa] The president does not yet have an opinion. He is still looking, and he is right. He is indeed looking democratically. He is still looking to the talks that he has not yet started. He will probably choose the variant that will be most appropriate. [end recording]

President Wojciech Jaruzelski also had talks today with the Chairman of the PAX Association, Zenon Komender. Today, he also received the chairman of the National Trade Union Accord Chairman Alfred Miodowicz. Also envisaged for today are talks with the chairmen of the National Union of Agricultural Circles and Organizations and individual farmers' solidarity.

'Text' of Walesa Message

LD2507225389 Warsaw Domestic Service in Polish
2100 GMT 25 Jul 89

[Text] The Polish Press Agency (PAP) has published a statement that Lech Walesa handed to the president. This is the text: The elections to the Sejm and the Senate brought victory to the opposition, for which the majority of the public voted. The composition of the Sejm does not reflect this and continues to correspond to the binding agreement undertaken at the round table. However, the ever-worsening economic situation in the country and the increasing social tension make it necessary to undertake bold and decisive solutions regarding the formula of executing power. The only rational decision would be to hand over the government to those forces who have the support of the majority of society. Only such a courageous solution would make it possible to convince the public about the irreversibility of the changes and the necessity of all the deep economic reforms which are inevitably linked to costs.

However, everything indicates that the coalition in power is not ready to accept such a solution. In this situation it must—as a matter of course—take on full responsibility for appointing the new government. If individual people, linked to the opposition, should receive a proposal to participate in the Council of Ministers, I shall not oppose this. However, they can only do this on their own account; it will not mean that Solidarity is taking part in the government.

On my part I mean to appoint a shadow cabinet in order that we may prepare ourselves for solutions which will, sooner or later, become inevitable.

This was the text of a statement which Lech Walesa handed to President Jaruzelski.

Walesa Previews Government Talks With Jaruzelski
LD2507122989 Warsaw Domestic Service in Polish
1005 GMT 25 Jul 89

[Text] President Wojciech Jaruzelski has begun consultations with representatives of political and social forces represented in the Sejm on the formation of the government. Yesterday, he received Roman Malinowski, chairman of the Supreme Committee of the United Peasants

Party, and Jerzy Jozwiak, chairman of the Central Committee of the Democratic Party. Today, he will hold talks with Lech Walesa. Here is what the chairman of the Solidarity Citizens Committee told our reporter Andrzej Trojanowski before leaving Gdansk:

[Begin recording] [Trojanowski] What do you expect from the talks with the president?

[Walesa] We have two plans: the entire government by the opposition, including the premiership and [words indistinct]; and, second, we stay in the opposition and prepare a shadow cabinet.

[Trojanowski] In your opinion, what are the most urgent issues that the president should resolve?

[Walesa] Obviously, the first one is the government, to form a government so it could begin to solve problems because there are so many of them. Hence, as Poles we must agree on the government. As I said, these two plans are the only logical ones. Naturally, in politics in most cases one does not behave logically, and probably in our case it will be the same.

[Trojanowski] We are talking in your study but you are here privately.

[Walesa] I am on vacation, but it is 2 hours vacation and 3 hours work.

[Trojanowski] Were those 2 hours of vacation successful?

[Walesa] I have caught four perches [words indistinct], so I had a foretaste of the vacations. [end recording]

After today's talk with Lech Walesa, the president is to conduct consultations in the next few days with chairmen of the National Confederation of Trade Unions, PAX Association, Christian and Social Union, Polish Catholic and Social Union, the National Union of Agricultural Circles and Organizations, Private Farmers Solidarity, and other personalities of Polish political and social life.

Malinowski, Walesa on Talks With Jaruzelski
LD2607093789 Warsaw PAP in English
0028 GMT 26 Jul 89

[Excerpts] Warsaw, July 25—President Wojciech Jaruzelski started consultations with representatives of political and social forces represented in the Sejm on forming a government. Here are statements on the hitherto cause of these consultations made for PAP reporter:

Chairman of the United Peasant Party Central Committee Roman Malinowski said:

"During Monday's [24 July] meeting with President Wojciech Jaruzelski, we deemed that there was an urgent need to form new government that would enjoy the support

of all forces represented in the Sejm and Senate and could more effectively solve economic problems and speed up radical reforms. A government of great coalition or, as the Polish president put it, a government of national agreement could best live up to such tasks and expectations. We discussed with Gen. Jaruzelski rather what this government should be and on what principles it should be formed than personal composition of the cabinet."

Chairman of the Democratic Party (SD) Central Committee Jerzy Jozwiak said:

"The president proposed at first a government of broad coalition. This is in tune with the SD's concept. We are for the participation of representatives of the present coalition and the opposition, that is, Solidarity, in government. This is the best solution in the present economic situation. Everybody who is a member of parliament assumes responsibility for taking this country from economic collapse.

"The SD has always been an advocate of private economy and in view of the fact that one should expect a change in the structure of the national economy and the strengthening of private sector in it, the SD is ready to assume such a ministry if it is set up by a new premier."

After his meeting with the president, leader of the Solidarity trade union Lech Walesa said: [passage omitted] "We spoke about the need to have a body that, despite different approaches to the question of the government and prime minister, would protect the Polish road to reforms. Such a body should exist above out differences in order to defend the Polish reforms against the emerging dangers. Such is the general's proposal at the moment and I agree that Poland needs something of this kind. The nomination of prime minister is the president's job not mine.

"The body I have mentioned would link all social forces. Something like the PRON [Patriotic Movement for National Rebirth] but not the PRON. We would have to reconstruct something that will carry Poland to reforms and, at the same time, the Poles would have to listen to it, understand that if that body says so, things are this way. But not with force or persuasion, but political arguments and trust in these people.

"During my two-hour conversation with the president both of us spoke for equally long time and listened equally long. This was of course a reconnaissance conversation during which I gave the president a written statement describing my viewpoint," Walesa said.

"From the president's viewpoint a grand coalition would be more valuable for the world and Poland. This is true and the president is right here, from his angle. I believe, we have our reasons too. We cannot take responsibility

for all the bad things. Our country must be carried through reforms now and when this is over we may find out having helped to achieve it that we were just kicked out. [passage omitted]

"We did not discuss in detail the personal composition of the government. We have agreed that I am available at any moment if there is such a necessity, because I want the problems solved and reforms made in Poland. As private persons, all the Solidarity deputies are free to do what they want. If some of them want to join the government, we cannot stop them.

"The general has rejected nothing [a Solidarity government], he keeps contemplating everything. This was just a probe every president carries out. [passage omitted]

Jaruzelski Addresses Last State Council Session

AU2507185589 Warsaw TRYBUNA LUDU in Polish 21-23 Jul 89 p 3

[PAP report: "Meeting with the State Council"]

[Text] Pursuant to the law of 7 April, the State Council of the Polish People's Republic concluded its work on the day the President of the Polish People's Republic assumed office. President Jaruzelski met members of the outgoing State Council on 20 July.

The participants congratulated Wojciech Jaruzelski on the occasion of his election to the Presidency and expressed their admiration for his past efforts and achievements, and wished him future success in his difficult and responsible work for the good of the state and nation.

During the discussion, reference was made to the work of the State Council during its last term. The discussion centered on the development of democracy, especially regional self-government, support for various public and citizens' initiatives, and the strengthening of observance of the law. It was accepted that the State Council contributed a large amount of effort into the various areas of its competence and measurable progress was discernable there. Its role in contributing to the atmosphere and conditions of the coalition and to national accord, especially in the parliamentary aspects, was particularly highlighted. Stress was also put on the internal changes and the favorably developing international contacts. A crucial role in these processes fell to the chairman of the State Council as evidenced by the visits of foreign dignitaries in Poland.

Wojciech Jaruzelski thanked everybody present for their words of praise, their congratulations, and their best wishes. He also thanked those present for their past cooperation and contribution at the plenary sessions, within particular State Council Commissions, and in the execution of other tasks. He stressed that the positive results of the work of the State Council had only been reached because of the conducive atmosphere and

mutual understanding, thanks to the initiative and energy of its members. Finally he wished his former colleagues further successful professional, political and social involvement; good health; friendly contacts among the community; and personal happiness.

Orzechowski Backs Jaruzelski at National Assembly

AU2507152989 Warsaw TRYBUNA LUDU in Polish 20 Jul 89 p 3

[Speech by Marian Orzechowski, member of the PZPR Politburo and cha. man of the PZPR Deputies Club, at the 19 July National Assembly session in Warsaw]

[Text] After dozens of years, the National Assembly has met again in order to make a choice that will mark our country's return to the rich tradition of parliamentary democracy that was disrupted a long time ago.

Today, an enormous responsibility, even a historic one, rests on each of us individually and on all of us collectively. We are the highest representation of all Poles. We are to make the greatest choice, to elect a president of the Polish People's Republic.

Who should occupy this highly responsible and honorable post, the greatest honor in our country?

The president of the Polish People's Republic should, most of all, be a great patriot, an avowed supporter of accord and dialogue, to whom the welfare of the people and Republic is and will remain the supreme value. He must be an experienced and efficient politician, with a long, rich record of service to society. Under conditions of stability and security, he should guarantee the continuity and effectiveness of the profound reforms, which are leading to a modern and prosperous Poland devoid of critical pitfalls. He should be a resilient statesman, a man who enjoys broad, unquestioned prestige in the East and in the West, a man intent on consolidating sovereign Poland's place in Europe and the world.

Such a man is Wojciech Jaruzelski.

Army General Wojciech Jaruzelski—a distinguished Pole and brave soldier—is a man of great industriousness, commitment, and personal modesty. He is a keen advocate of a kind of socialism that contains humanitarianism and democracy—values which, if firmly rooted in man's consciousness, may and should create the broadest platform for the intercourse of various political streams in the great work of national accord.

Distinguished deputies and senators! It is our joint desire that, in his thoughts and actions, the president of the Polish People's Republic should place himself above the interests of the PZPR, the allied parties, and political groups; that he should be the president of all Poles. At the same time, we all realize that there is no politician or statesman in Poland today whose election to the highest state post would meet with society's unanimous

approval. Therefore, I wish to stress that the PZPR Deputies Club, on whose behalf I have the honor of speaking, is profoundly convinced that Wojciech Jaruzelski, provided he gains the National Assembly's confidence, will do everything possible to be that kind of president—a president of all Poles.

Distinguished deputies and senators! The whole of Poland is watching us. I warmly encourage the citizen deputies and senators to vote for Wojciech Jaruzelski.

With this responsible choice, let us take a step toward the hope that is so necessary in the life of our nation.

Siwicki Congratulates Jaruzelski on Election
AU2507190189 Warsaw ZOLNIERZ WOLNOSCI
in Polish 21-23 Jul 89 p 1

[Message of congratulations to Wojciech Jaruzelski from Army General Florian Siwicki, PPR minister of national defense]

[Text] To Comrade Army General Wojciech Jaruzelski, president of the Polish People's Republic [PPR].

Esteemed Comrade General!

The Military Council of the Ministry of National Defense and the men of the Polish Armed Forces received the news that the honor of serving as PPR president had been entrusted to you, Comrade General, with great pride and profound satisfaction. I offer you cordial military congratulations and best wishes on their behalf and from me personally.

This act of great historic importance satisfies our expectations. It is an expression of public and military recognition for your achievements, comrade general—a fervent patriot, a state and party activist, an outstanding statesman who enjoys great authority at home and in the international arena, as well as a meritorious soldier.

We, the members of the Ministry of National Defense Military Council, assure you that the Polish Armed Forces will support all the actions of the first citizen of the republic that serve the well-being of the people and the state.

At the same time, we wish you, Comrade General, the greatest achievements in this eminent activity for the good of our fatherland, the PPR, satisfaction from every day of hard work, as well as much health and personal happiness.

Army General Florian Siwicki.

Rakowski Queried, Outlines Political Philosophy
LD2507130289 Warsaw PAP in English
1102 GMT 25 Jul 89

[Text] Warsaw, July 25—The party daily TRYBUNA LUDU today carries an extensive interview with Premier Mieczyslaw F. Rakowski in which he came out against tendencies to liquidate the party and against concepts of division and said: "For a long time I had been suspected of being a social democrat. Now it often happens that I am linked with the conservative current. Both the former supposition and the latter are nonsense."

"The PUWP Polish United Workers Party must be absolutely rational in its economic program aimed at multiplying goods and at the same time it must protect the values of socialism such as equal start in life, shield for economically poorer but not the lazy ones, just distribution, and priority of the value of labour over consequences of ownership. These aims are not easy to reach at all in the conditions of necessary, deep restructuring of the economic system," Rakowski continued.

"We need a party searching for efficient instruments of progress, unattached to dogmas, able to act in democratic relations, thus, for instance, to win elections, and one sensitive to social justice, protecting the interests of honest working people. Surely, the PUWP can become a pragmatic-leftist party of the 21st century. To be pragmatic does not mean to disrespect Marxism and historical achievements of Polish socialists and communists," he told the daily.

"In my opinion, we will not secure the identity and individual character of our party, strictly speaking of our movement, through dividing ourselves but through uniting around concrete aims," Rakowski concluded.

Kiszcak Responds to Deputy's Murder Allegations
LD2507191289 Warsaw Television Service
in Polish 1730 GMT 25 Jul 89

[Text] Interior Minister Czeslaw Kiszcak has sent a letter to the Sejm speaker Mikolaj Kozakiewicz in connection with a statement made by deputy Tadeusz Kowalczyk. The letter says in part:

During the Sejm debate on 10 July deputy Tadeusz Kowalczyk stated the following: the Ministry of the Interior is, since the introduction of martial law, responsible for several dozen political murders. Very often people have tried to persuade us, the public, that these were unfortunate incidents, suicides. I am the chairman of the commission for law adherence and intervention at the National Council of Solidarity Farmers and many such gloomy matters linked to the Ministry of the Interior reach me, said deputy Tadeusz Kowalczyk.

Following this statement Deputy Minister Zbigniew Pudysz called on the deputy to present facts that would make it possible to confirm these allegations. He also

proposed a meeting. Despite the fact that 2 weeks have gone by since then deputy Tadeusz Kowalczyk has not answered any of these proposals.

The gravity of these publicly made allegations, writes Czeslaw Kiszczak in his letter, forces me to call on the citizen speaker and ask him to induce the citizen deputy Tadeusz Kowalczyk to put before the prosecutor general of the Polish People's Republic—for urgent clarification—all the circumstances known to him which would factually justify imputing crimes to functionaries of the Ministry of the Interior.

These were lengthy excerpts from a letter written by Interior Minister Czeslaw Kiszczak to Sejm Speaker Mikolaj Kozakiewicz.

Solidarity Weekly Examines Bush Aid Package
AU2607150389 Warsaw TYGODNIK SOLIDARNOSC
in Polish 21 Jul 89 p 2

[Commentary by Piotr Rachtan: "Comments on the Visit"]

[Text] The expectations were very great. They did not apply to the political domain, because it was so obvious that there would be support for the changes that there was no need to raise the matter. After all, democratization would be the one course of action that the West would praise and to which it would give its moral and political backing. The greatest hopes were pinned on the pocketbook, that is, they were linked to money. That is what people are waiting for, and money is what is being talked and written about. The President of the United States, smiling and amiable, raised his fingers in the V sign and told us how much he would give us. We can expect \$100 million worth of loans for the private sector (mainly for export-oriented ventures), and a possible \$325 million for agriculture and the food industry from the World Bank (the United States is going to support us). Finally, President Bush said that he would help us to obtain deferment of \$5 billion that we owe to Western governments, at a meeting of the Paris Club, which groups together our main creditors. That is all. People had been expecting billions, not hundreds of millions. Was this something of a disappointment?

Do they have to give us anything at all? For years I have read and heard that the West must—and the imperative mood is the one that is used—not that it "wants" to or "can," but that it must. The West must, because it owes us a debt for Yalta. The West sold us to Stalin, so now it should it buy us out. We should also be given something, because we are a source of inspiration for other communist countries.

Do people give away money if they do not stand to gain anything by doing so? Does anyone stand to gain something from some dubious form of inspiration (and the

state of our economy can only really inspire a madman)? Does a moral debt that goes back almost half a century make for a good investment proposition?

People say that we are a powder keg that will pave the way to war if it explodes (and we have to explode without those tens of billions). If our powder keg were to explode, would it really upset world stability to such an extent that it is worth averting by shoring up the Polish economy financially? Above all, the question that should be asked is whether some serious explosion is possible at all?

There is another side to the powder keg argument: Who would want to give money to a country that is in danger of blowing up? Are the Americans the very people who would do that? What would the United States gain by giving Poland money? A weaker Russia? After all, the Russians are barely keeping their heads above water themselves and have started to shut up shop without any American aid going into the ramshackle Polish economy.

It is said that world financial system will collapse if our \$40 billion dollar debt is not repaid. Other countries, which are just as much in debt as ours, have either stopped making payments or, like Poland, are deferring and suspending payments. Essentially, the only effect that this has had is that it has become more difficult to obtain loans, and financial institutions have introduced more stringent conditions and have become more cautious. In addition, although President Bush promised to back a World Bank loan, he did not mention the fact that last year the United States supported a loan for Argentina, and that the procedure had been blocked by the IMF, because Argentina had not submitted a sufficiently realistic economic recovery program beforehand. So, if something does trickle in from there, it is estimated that at the most it will amount to \$250 million, not \$325 million, and this will only happen once the government of the Polish People's Republic submits an adjustment program for the Polish economy that is approved by the IMF. For the time being, what the IMF has received is a rough draft.

So, we expected billions, and what we heard about was around \$100 million. This sum for the development of the private sector in a European communist country is a very large amount by U.S. standards. At this point, we do not know whether Congress will approve \$200 million worth of loans for the Philippines, a country that has closer ties to the United States than Poland. So, it makes no sense to wonder about whether the promise that Bush made in the Sejm amounted to a little or a lot. If Congress approves it, the President will score an undoubted success, and only then will his words be translated into money. Until Congress makes a decision, his words will only remain words.

Did the U.S. President bring us anything else? Yes, he promised to act as our ambassador at the Paris club. He is to help us to defer payment of the \$5 billion due to the

Western governments that belong to the club this year. He might even succeed in this. I doubt whether any of these governments are really counting on us to repay the money.

In Gdansk, the U.S. President said: "I trust that it will be possible to establish an aid fund for Poland (in Paris)." However, no one in Paris will be counting Poland's achievements, which the President talked about so much during his visit, or the monuments at which he laid flowers. What are compared are figures, revenues, and opportunities and not good intentions and confident words of hope.

In Paris George Bush will be asked whether aid for Poland makes sound business sense. What will he tell them?

Opposition Figures' Visit to CSSR Questioned
LD2507130789 Warsaw PAP in English
1112 GMT 25 Jul 89

[Text] Warsaw, July 25—The party daily TRYBUNA LUDU today comments on the current visit to Czechoslovakia by a group of opposition parliamentarians and activists who met with representatives of Czechoslovak opposition and with the primate of the Roman Catholic Church in Czechoslovakia Cardinal Frantisek Tomasek. Here are excerpts of the commentary:

"It is not difficult to guess that the delegation has carried a statement which was issued here on July 18 by 169 members of the Citizens' Parliamentary Floor Group (OKP), concerning a peculiar 7-item programme of changes in the spheres that are obviously part of internal life of Czechoslovakia.

"Sovereignty, an unlimited right for self-governing, non-interference of foreign forces into internal affairs of one's own country are the postulates that the Polish opposition has been permanently and even demonstratively emphasizing for a long time. But the 7-item statement of 169 OKP members is nothing else but meddling in internal affairs of another country, and what more, formulated almost in a way of an ultimatum ('We demand: immediately').

"A principle exists all over the world, and the oppositions follow it, of respecting the supreme interests of one's own country, its reason of state. Our Polish reason of state embraces, and the opposition is not questioning that, at least verbally, good friendly relations with our allies from the Warsaw Treaty, including also all our closest neighbours. Do the Czechoslovak activities of Solidarity and OKP really serve the nurturing of such relations of alliance with our southern neighbour?" the daily asked.

Soviet Official Interviewed on Uzbek Affairs
AU2507164989 Warsaw SLOWO POWSZECHNE
in Polish 19 Jul 89 pp 3, 4

[NOVOSTI "exclusive" interview with E. Yusupov, chairman of the USSR Supreme Soviet Commission for National Policies and Interethnic Relations, by unnamed interviewer: "Less Emotion and Less National Egoism"—date, place not given]

[Text] [Question] Representatives of about 100 different peoples and nationalities live in Uzbekistan. Relations between some of them have clearly become tense recently. I think that the underlying cause of this is the increased severity of socioeconomic problems.

[Yusupov] In the past we used to pride ourselves in Uzbekistan on having irrigated 2,000 hectares of desert. Now we regret it. This is because it has led to the excessive predominance of cotton, a drop in the level of the Aral Sea, and a deterioration in the ecological situation throughout the republic. If the Aral Sea dries up, it will become a very dangerous area of desert, because the entire sea-bed will turn into an enormous salt-bed, and sand and salt storms will destroy farmland. This would be a catastrophe for all of Central Asia, and we cannot allow this to happen.

Now people are issuing an "unofficial" appeal: "Let us save the Aral Sea. Let us restore its former borders." I think that these people do not really know what to say. We cannot completely restore the sea to its former level. We can only stop it from drying up.

The most effective way of doing this is to impose severe restrictions on the use of water for irrigation purposes and, of course, an end to the cultivation of cotton on as big a scale as at present, because it uses up the greater part of our water reserves.

[Question] Some deputies are proposing a reduction in the amount of land used for the cultivation of this raw material, and youth leaders are issuing similar calls. In my opinion, this is an expression of parochialism and national egoism. After all, a reduction in output will lead to the shutdown of several dozen cotton factories and mills, and this in turn will lead to unemployment in many regions.

[Yusupov] Yes, we are, of course, stepping up the cultivation of fruit and vegetables, but where are we going to store them? Once they undergo preservation processes, will they be able to compete against excellent Hungarian and Bulgarian products? It is also worth adding that the cultivation of cotton is very labor intensive. If we reduce our cotton fields and lay off hundreds of thousands of workers, then we will have to think about what they

should do. After all, there already is a surplus of manpower in our republic. That is why I say when we come to solving this problem, we do not need emotions, but a far-sighted approach and decisions that are carefully thought out.

[Question] One "unofficial" demand is that Uzbek should become an official language. What do you think about that?

[Yusupov] The Uzbek Communist Party Central Committee group that deals with language problems, a group that I head, has already received more than 20,000 letters expressing views on this subject. Most of them support making Uzbek an official language, which I see as following the pattern of the Baltic and Transcaucasian republics. We can sympathize with these wishes. However, we cannot soft-pedal the problem of teaching Russian in the republic, as the language is a means of communication at the international level. As we know, knowledge of Russian, especially in remote parts of Uzbekistan, is poor, to put it diplomatically.

There is no doubt that a lot of mistakes were made with respect to this problem. For example, until recently there was a rule in force in Tashkent which meant that republic post offices would not accept telegrams written in Uzbek. Only texts written in Russian were accepted. You could not even call an ambulance in Uzbek, but had to use Russian. This does, of course, hurt national feelings. There is no doubt that we should boost the importance and status of the Uzbek language, but not at the expense of Russian.

Our commission backs the proposal to make Uzbek an official language, but this does not mean that it should be the only official language. This would not only complicate Russian-Uzbek relations, but would also complicate relations with other peoples living in the republic: Tadzhiks, Kazakhs, Germans, and others. That is why we are proposing that Russian should be made a statewide language for the whole Soviet Union, and that Uzbek should be made an official language in the republic.

However, this does not mean that the legislative system, law courts, and education should only use this language, and that everyone should only speak and write Uzbek. In those regions that are inhabited by Tadzhiks or Kazakhs, instruction should only be provided in the native language of these peoples.

[Question] So, in your opinion, making Uzbek an official language should not occur at the expense of other languages that are used in the republic?

[Yusupov] Of course not, making Uzbek an official language should not accord any privileges to those who use the language and it should not hinder the development of the languages of other peoples that live in the republic or curb the activities of other peoples and their ability to communicate. That is why in making such

important decisions, we should take account of the particular features of a given region and local conditions, and we should not do anything that is harmful to the interests of other peoples.

Solidarity Daily on USSR Ethnic Problems
AU2507151789 Warsaw GAZETA WYBORCZA
in Polish 12 Jul 89 p 3

[Kazimierz Dziewanowski article: "Russia: Problem Number One"]

[Text] Mikhail Gorbachev has said that the nationality conflicts that are constantly erupting in various USSR republics may be a threat to this state's future, and may also affect the future of the world. What he said bears a dramatic tone, which I consider justified. The clashes between various ethnic problems are becoming more and violent. People are being killed every week. The Army is intervening more and more often.

There is no doubt that some of the clashes are the work of enemies of perestroika, whilst others are being exploited by them. Some clashes, for example in Tbilisi, are an attempt to create widescale unrest, push the country toward a Chinese solution, and weaken and disgrace Gorbachev and the present leadership.

But there are deeper, more serious underlying causes of what is happening. The main one is dozens of years of indescribably brutal nationality policy. Nationality problems were supposed to disappear under communism. Even before he became general secretary of the party, Stalin was used by his associates as an expert on nationality policy. We can see the results of his extraordinary talents today in the Fergana Valley, Nagorno-Karabakh, among the Crimean Tatars, and so on.

The USSR nationality conflicts are attracting a great deal of attention, and have prompted Gorbachev to issue a dramatic statement. But it has to be remembered that the greatest and most difficult problem in the USSR today, the one that is causing the leadership the greatest headache, concerns not so much the smaller ethnic minorities but Russia and the Russians themselves. Many experts on the USSR believe that the drama of Russia is greater than all the others.

Many Russian emigres have written about this. The last person to have done so is Mark Frankland, the OBSERVER's Moscow correspondent. According to his "The Sixth Continent—Russia and the Making of Mikhail Gorbachev," the people in the Kremlin, as well as scholars, writers, and the entire emergent Russian public opinion, are becoming increasingly aware of the fact that the system in force in the country has caused tragic harm to all the republics, but has caused the greatest harm to Russia itself. In the heart of Russia, where once the Grand Duchy of Moscow existed, there is nothing but a wilderness today. Agriculture has been virtually eliminated, the rural areas have been depopulated.

Frankland describes, with quotations from the Soviet press, villages that have been engulfed by forests. Ancient historic cities and settlements are also becoming empty.

The natural growth rate in the Russian Republic has been low for a long time. The Russians are gradually becoming a minority in the USSR. During the next decade, this will assume dramatic proportions. Revolution, civil war, (—) [passage removed by censor] (Law of 31 July, 1981, on the Control of Publications and Spectacles, Article 2, Item 3—OFFICIAL GAZETTE no 20, item 99, with subsequent amendments) and Stalinism in particular caused the Russian people huge losses. Culture and the intelligentsia were eroded, and human initiative was cut off at the roots.

Therefore, perestroika is an absolute necessity not just for the USSR as a whole, but most of all for the Russians themselves. This is not a political concept that can be abandoned if further difficulties occur. Abandoning perestroika would merely bring a total calamity closer. If Mikhail Gorbachev speaks about the future in such dramatic terms, he must have this problem in mind.

I am writing this because I believe that our knowledge about our eastern neighbor is still unsatisfactory. I think we should extricate ourselves from the vicious circle of prejudice, and that it is time to take a new look at the entire sphere of Polish-Russian topics from the very beginning. A major debate should be started, and I would like to take part in it on more than one occasion.

Agreement With Turkey Eases Visa Requirements
TA2407062589 Ankara Domestic Service in Turkish
0430 GMT 24 Jul 89

[Text] Turkey and Poland have both waived the visa requirement for tourists from the two countries paying visits of up to 3 months. Under the agreement, which was published in the OFFICIAL GAZETTE and which went into effect today, visitors from one country to the other on business or for official contacts continue to require visas.

Geremek Views Possible Solidarity Government
PM2507154189 London ITV Television Network
in English 1800 GMT 22 Jul 89

[Interview with Solidarity parliamentary leader Bronislaw Geremek in Warsaw on 22 July by Channel 4 presenter Sheena McDonald, monitored in progress in the framework of "The World This Week" program—recorded]

[Text] Well, joining us live now from Warsaw, is Bronislaw Geremek, Solidarity leader of the National Assembly, key adviser to Lech Walesa, and the man who many say would become prime minister if Solidarity formed a

government. And let's start with that, Professor Geremek. Solidarity has rejected President Jaruzelski's invitation to join a communist-led national unity administration. You said earlier this week that Solidarity might form a government. Now what, precisely, do you want?

[Geremek] It's, I think, the normal answer for a political movement being in opposition and now represented in the parliament. We are ready to form a government if we are asked to do it, and I think that it should be our answer. If not, our negative answer would be a kind of legitimization of the communist power in our country. It would mean that the communist party is the only political force able to govern our country. But if we think in terms of political analysis, one has to see that this kind of offer from the communist party, from the communist party leader, General Jaruzelski, would be suicide for the communist party. The party is not ready to accept the political pluralism; we are still under an authoritarian pattern of power; the nomenclature system is still alive. Everything is now in the hands of the party, under the monopoly of the party, so a coalition government would be for us the suicide. The Solidarity government now would be a suicide, a suicide for the communist party. So what we...

[McDonald interrupts] It sounds like impasse, Professor Geremek.

[Geremek] Ya.

[McDonald] But if you were invited, Solidarity would form a government?

[Geremek] Yes.

[McDonald] Yes?

[Geremek] My answer is yes.

[McDonald] And you, it's suggested, might well be the prime minister.

[Geremek] If my movement...

[McDonald] Right.

[Geremek] ...proposed me, I would accept.

[McDonald] Let's follow that a little bit further on because you've talked about the structures of authority in Poland, and the management of those structures. You've said they have to be changed; there has to be change all the way through the party system right down to grass roots level. Now, can that be done without Solidarity forming a government? Shouldn't that process start now? And in that case, shouldn't Solidarity take part in a coalition government to effect the changes which would make reform possible?

[Geremek] It's a very difficult question. I would say that to change this kind of regime from the top, it would mean a revolution. What we accepted on the round table agreement was an evolution, a process of democratization. What we are asking for is, first of all, democratic elections to the local government without a political deal, without a political contract; we would like to obtain the independence of courts, reform of legal system; we would like to obtain the access to the mass media, to the Polish television; and what we are aware of is that the Polish economy is in the situation of a disaster, and so, we are ready to find a consensus concerning the economic policy. The only guarantee for this consensus is the creation of a special parliamentary commission, which could not only check but to influence government's decisions concerning the national economy. So the consensus is still possible: the participation in the government, no.

[McDonald] Well, going back to the idea that Solidarity might form a government—although you've said that that would be suicide for the party to invite them to do so—if you were prime minister in a Solidarity government, would you work with Communist ministers? In other words, would there be coalition in that respect?

[Geremek] First of all, our government would have to push out thousands of people unable to do the work in the management offices, in the ministries, in the administration because they were appointed by political obedience reasons and not by their skill, honesty, and so it would be a sign for all...

[McDonald interrupts] But, but, but...

[Geremek] Ya.

[McDonald] ...in due course, Professor Geremek, I mean, you would be willing to be prime minister of a coalition government, Solidarity government, which had communist ministers in it? Party ministers?

[Geremek] The coalition government with a Solidarity prime minister or with a Communist prime minister would be the same. After the World War II, in '46, was a government with a noncommunist prime minister, but the regime was still the same. In the same year came back to Poland one of leader of the political Polish emigration, Mr Mikolajczyk, and who was the vice prime minister. Nothing changed.

[McDonald] Can I, can I put this suggestion to you? It has been said that Solidarity is unwilling to take part in any kind of national unity government at the moment because there's a feeling things are going to get worse: economic measures are going to be put through which will be very unpopular; Solidarity does not want to associate itself with unpopular economic measures. It would rather, if you like, come in later; see an interim

government take control just now; and come in as fireman, as we say, people who will save the situation when it's gone to rock bottom. What would you say to that suggestion?

[Geremek] Of course, that's right, and our answer is that if we have to take this risk, we should obtain possibilities to manage the situation. It means to obtain rapid changes in the nomenclature system; it means the most important political structures in this country; it means simply that the communist party could disappear immediately in some days. I don't think that it will be a disaster for the country, not at all, but I'm afraid it could be a reason for political destabilization in Poland—and not only in Poland. So the question is...first of all, the question depends on the communist party's will.

[McDonald] Professor Geremek in Warsaw. Thank you very much indeed for joining us this evening.

Politburo Discusses Market Reforms for Food
LD2507222489 Warsaw Television Service in Polish
1738 GMT 25 Jul 89

[Text] The Politburo of the PZPR [Polish United Workers' Party] Central Committee acquainted itself today with the comments and recommendations of the Economic Commission of the Central Committee on the plans to introduce market mechanisms into the food economy. Members of the Council of Ministers presented and justified the government proposals and their method of implementation.

The Politburo concentrated its attention on the social consequences of introducing market mechanisms into the food economy, laying particular stress on a penetrating analysis of the effects this could have on family budgets, especially of workers, old age and disability pensioners. The Politburo requested the government to make a detailed, complementary analysis of all elements of the safeguards guaranteeing the correct implementation of this essential and economically rational decision.

The Politburo assessed that introducing market forces to the food economy was still widely understood in a simplified way, in large circles of society. There is a lack of full information on the social and economic complexity of this measure. This gives rise to various fears and uncertainties among citizens. The party leadership thinks it essential that the information campaign justifying both the indispensability of applying market prices for food and realistically explaining all the details of this operation and its immediate and long-term effects, which are of interest to town- and country-dwellers, should be stepped up.

The Politburo also adopted material prepared for the second part of the 13th Plenum of the PZPR Central Committee.

Minister Sets Up Special Team To Solve Strike
LD2507220389 Warsaw Television Service in Polish
1730 GMT 25 Jul 89

[Text] The minister for cooperation with the trade unions has had a meeting in Warsaw with representatives of the Federation of Independent, Self-Governing Trade Unions [NSZZ] of State Motor Transport [PKS] employees of the Polish People's Republic.

After a stormy exchange of views, a special team was set up with the participation of representatives of three ministerial departments and the federation (?and the OPZZ). The national commission of NSZZ Solidarity of PKS employees was invited to cooperate.

The team should table draft ad hoc and system changes satisfying at least some of the demands of the striking PKS crews by 15 August. Minister Jozef Oleksy appealed to the strikers to stop their protest actions until the team had completed its work, for—as he said—the (?protests) are pointless until the new Sejm verifies the budget act.

The trade unionists said they would telex the results of the talks to plant trade union organizations. They would also appeal to their members to suspend the announced general strike of PKS employees to the end of August at least, so as to allow the team to work in peace on the new system solutions for PKS enterprises.

TRYBUNA LUDU Views Unsolved Problems
AU2507184989 Warsaw TRYBUNA LUDU in Polish
21-23 Jul pp 1, 2

[Editorial by Jerzy Majka, editor-in-chief of TRYBUNA LUDU: "Years of Difficult, Profound Transformations"]

[Excerpts] The main event this week was the election of the president. Wojciech Jaruzelski's election as first president of the Polish People's Republic is a very important event for the development of the situation in Poland. [passage omitted]

However, the presidential election has eclipsed other matters and events a little, at least in the mass media. The 45th anniversary of People's Poland was overshadowed, as it were. Less was written about the tension caused by the deteriorating sociopolitical situation, though I assume most people still consider this to be the most important issue. Information about the forthcoming 13th Central Committee Plenum was scant.

The era of People's Poland has brought a very clear change to the standard of living. This can be attributed to several factors, of which I will mention the following main ones: a shift of the state frontier to the west; the establishment of what is basically an ethnically uniform society (there are very few ethnic minorities); political changes which allowed new classes and forces to come to power; friendly relations with all our neighbors; and a reorientation of our alliances toward the Soviet Union

and the entire socialist community. These were profound, revolutionary changes, which brought about a turning point in our history. [passage omitted]

In a year that marks the 50th anniversary of the attack on Poland by Hitlerite Germany, it is also worth stressing that we have been at peace since 1945. Socialist alliances have assured us of safe borders, which ought to be remembered at a time when right-wing circles are still making revisionist claims beyond the Elbe River. All these are undeniable facts.

But we have also failed to solve many vital problems. We have been pushed off the Polish road to socialism. As a result of a faulty economic policy, we have created an economy that turns out to be inefficient and fails to meet society's needs. We have neglected agriculture, hence the shortages of some foodstuffs, especially meat. We have not solved the housing problem, which is making young people suffer the most. Although there is none of the poverty and slums that existed before the war, many families still find it hard to live, sometimes very hard. [passage omitted]

These are just some of the problems we should examine at the 13th Central Committee Plenum. We should encourage party debate on these issues. There are very many matters which the party must consider anew, so that its influence may be revitalized. It is not just the next few months that are going to be difficult, but also the next few years.

Gulczynski on Building Poland's New Order
PM2107101089 Wroclaw GAZETA ROBOTNICZA
in Polish 15-16 Jul 89 p 3

[Interview with Prof Mariusz Gulczynski of the Polish Academy of Sciences State and Law Institute, by KAR correspondent Irena Scholl; date, place not given]

[Text] [Scholl] After the elections we have found ourselves at a crossroads. Ordinary people standing off the main political highways are becoming confused: Where exactly are we going now?

[Gulczynski] The road we have taken can go in two directions. One leads to a precipice, the other to a tremendous opportunity for development that would benefit all Poles. We have been led toward the edge of the precipice by the system of organizing society's life that was applied over several decades. This system proved unsuccessful in the long run. It failed to stimulate economic activity and created a drastic chasm between on the one hand people's aspirations to live and work with the advantage of the benefits of modern civilization at their disposal and on the other the practice of the fossilized methods of central command and distribution.

It also proved unsuccessful in the political sphere: It failed to create opportunities for groups or individuals to voice their interests and press for their realization through civilized, democratic procedures. This is the origin of the recurrent social conflict.

[Scholl] But we have had several years of the reform process.

[Gulczynski] Unfortunately, the reforms implemented to date have been of a quantitative nature. Many alterations have been made both in politics and the economy, but they did not bring about any qualitative changes. For more than a year the public has been signalling its discontent in increasingly blunt terms. It became necessary to provide a system which would stimulate widespread political and economic activity. This is how I interpret the 10th Central Committee Plenum's decision to construct the roundtable in the center of the political stage.

[Scholl] The election results caused many Polish United Workers Party [PZPR] members to feel very skeptical about any positive results of the roundtable.

[Gulczynski] Without qualitative changes we would have tumbled down the precipice before long. We had already seen the signals of yet another economic collapse: the galloping inflation and a shortage of the most basic staple products. At the same time there was an increasing threat of political conflicts which—had they assumed anarchic forms—could have jeopardized our very existence as a nation and a state.

[Scholl] Professor, on what premises do you base your hopeful assumption that we have a chance of successful development?

[Gulczynski] I base it on the evidence of the increasing economic and political activity demonstrated by the Polish people. In their readiness to participate in legally sanctioned, civilized forms of this activity. Think of the numbers of people willing to run for the Sejm and the Senate! This means that the black market and the "alternative distribution system" are losing to legitimate private or socialized enterprise. That the political underground is giving way to legitimate forms of association and parliamentary forms of political life.

The fact that we are a nation with a predominance of young and highly qualified people who are naturally inclined to try their hand at innovative ventures adds to the auspicious prognosis.

We also have objectively favorable conditions for industrial development: a wealth of raw materials which could be the envy of many other nations. Finally, there are the exceptionally propitious external circumstances: support for our reforms from both East and West.

[Scholl] What obstacles do you see to further reforms and a transformation of the system?

[Gulczynski] They can be found on the part of both the government and society. The former has a tendency—either its own or inherited—to run a system of "subjects and autocrats" in which those in power govern as ultimate arbiters and the masses' participation is purely cosmetic. Even elections were an empty gesture in that system. After the 4 June elections, the customary privilege of holding power without public mandate or control was no longer possible. Society declared itself in favor of relations based on the principles of partnership and democracy.

On the other hand, there is the danger that the reforms could be jeopardized by society's excessive attachment to the so-called blessings of socialism.

[Scholl] Why do you say "so-called"?

[Gulczynski] I am thinking of the gains that guarantee social welfare benefits not only to members of society and social groups unable to secure adequate living conditions for themselves through no fault of their own, but to all members of society on a wholesale basis, including those who can and should look after their own welfare. We had a system in which we attempted to copy and to "democratize" a truly byzantine blueprint of social welfare privileges. We must realize that it is not true that only those in power have access to privileges. Practically everyone enjoys some privilege, whether major or minor, greater or lesser—but everyone benefits from some privilege or another.

[Scholl] So is it true that, although we now reject the old system and the authorities express their commitment to profound transformations, we still find it difficult to make a clean break with the past.

[Gulczynski] We cannot equate the building of a new order of social relations with the rejection of the old one through revolts, strikes, and, ultimately, the act of electing a new team of representatives. Rejection of the old order of things is no guarantee that those who reject it have the capacity, the necessary skills, or indeed the desire to introduce a new order of things.

[Scholl] So how should we be building that new order?

[Gulczynski] The creation of a new order must not be the work of select, narrow groups. Moreover, it must not be entrusted to only one of the sides. Coalition reformers are no longer capable of performing that feat, while Solidarity reformers are not yet capable of it. It follows that the only solution for Poland is an alliance of reformers hailing from both sides. Such an alliance should, in my opinion, assume the form of a government of national confidence, composed of competent people who enjoy the confidence of the general public on both sides of the political divide. This is no time for pursuing particular interests and convictions.

[Scholl] Professor, how do you see the future of Poland's socialist development?

[Gulczynski] Some of my comrades in the PZPR are wringing their hands in despair. But it is not socialism as the more just social formation that is losing to capitalism here. It is the former method of running that formation that has now become compromised. The loser is the system of running things by decree, by agitation, and by coercion: The system whereby those at the top always know better, agitate for it, and—regardless of the consequences—introduces it by force.

As we create socialism, we must select all successfully tried and tested solutions from the previous formations. We must retain models that have demonstrated their lasting usefulness.

[Scholl] So we would prove to be masters of an altogether novel art if we manage to combine continuation and innovation? Which aspects of the capitalist achievement are worth backing?

[Gulczynski] The market economy and parliamentary democracy. These constitute an accomplishment of economic and political culture which deserves to be put to good use in our own circumstances. Provided that we remember that capitalism is not the last word in social development or the ultimate medium for giving expression to society's need for innovation. This can be clearly seen in the capitalist world, where wealth is the attribute of only a minority of nations. Where every nation's aspirations to material and civilizational development are greatly magnified, but where most of those nations fail to become significant partners in world affairs. Crises and conflicts are not exclusively the lot of the socialist countries: The capitalist world has its fair share of those too.

[Scholl] Coexistence of capitalism and socialism magnifies the needs and aspirations of particular nations and at the same time it can help meet those needs and aspirations.

[Gulczynski] Coexistence of socialism and capitalism is necessary in the whole world and also in Poland, from the viewpoint of its internal affairs. We are already getting used to the fact that typically socialist enterprises will operate side by side with typically capitalist ones. It is high time to get used to the fact that opposing ideologies and opposing parties will also be operating side by side in the whole world, including Poland and other socialist countries. And I think that there is no need to suffer unnecessary stresses and frustrations over this. Instead, we need to learn to see the advantages of absorbing everything that is worthwhile in other ideologies and other formations.

[Scholl] What shall we absorb from socialism?

[Gulczynski] We should first of all affirm the value of the socialist ideals, especially the need to humanize all development. The main virtue of capitalism is that it stimulates development by allowing for spontaneous political and economic initiative. Had this been all that the human race needed to remain in a state of continuous bliss, there would have been no better way to achieve it than capitalism. However, the fact that the need for socialism has existed and still exists in the world today, despite the obvious failures in its implementation, is a consequence of the human race's quest for humanist development. Activity and enterprise should be directed more at meeting people's social requirements.

[Scholl] What would then constitute the distinguishing feature of socialism interpreted in this way?

[Gulczynski] A guarantee of equal chances in discovering and utilizing the potential of the many human talents that exist in any society. In capitalism, inherited wealth creates preferential conditions for the rich. The task of civilized socialism would be not to reduce the material status of the rich and to take away their wealth, but to make advancement possible for all others too. So that the son of a cowherd would not be inescapably doomed to become a cowherd in his turn.

The task of socialism is to channel economic activity so that it rationally adapts the natural world to the living requirements of the present and future generations of each and every nation as a whole. This requirement is becoming more and more clearly evident on the individual national, continental, and global levels.

I believe that the classics of Marxism would have nothing against such coexistence of many different components of both systems, for they themselves never assumed that the new system would have to be built from scratch. They also envisaged a conjunction of continuation with innovation.

Consequently, we should now settle for a process of gradual naturalization of the transformations affecting our system. We must reject the temptation to decree "how things should be" and instead learn to patiently accommodate those solutions, forms, and models of public life which are convenient, effective, and approved by the people themselves.

Ceausescu Addresses Brazilian Parliamentarians
AU2507124289 Bucharest AGERPRES in English
0926 GMT 25 Jul 89

["President Nicolae Ceausescu Receives Brazilian Parliamentary Delegation"—AGERPRES headline]

[Text] Bucharest AGERPRES, 27/7/1989—As announced on 24 July, the president of the Socialist Republic of Romania Nicolae Ceausescu received in Neptun resort a Brazilian parliamentary delegation led by Luiz Henrique de Silveira, first secretary of the Executive Presidium of the Chamber of Deputies and the National Congress of the Federative Republic of Brazil, who is paying a visit to Romania at the invitation of the Grand National Assembly [GNA].

The head of the delegation handed over to President Nicolae Ceausescu a message from the acting president of the Federative Republic of Brazil, Pae de Andrade, as an expression of the feelings of friendship, admiration and respect the Brazilian people and its country's leadership nurture for Romania and its president. The message reads:

"Mr President,

"Our country takes great honour in conveying you, through the acting president of the Republic, the Brazilian people's message to be handed to you personally by the delegation of Brazil led by the former minister of science and technology, federal deputy Luiz Henrique da Silveira, first secretary of the Executive Presidium of the Chamber of Deputies and the National Congress.

"There are deeply rooted ties that link us to the Socialist Republic of Romania against any discriminations and in the fight for the nations' independence and sovereignty, more particularly for nuclear disarmament, which is today a constant concern of the peoples that are for a lasting world peace.

"Let us rally our efforts so that the world of peace and progress we dream of be as close to us as our feelings of fraternity."

Showing that the Brazilian parliamentary delegation, that includes leaders of the parties with the largest number of representatives to the congress, were greatly honoured by the interview granted by the Romanian head of state, the guest praised President Nicolae Ceausescu's activity stressing that he was a great personality not only for Romania but also for the whole world, for history. In that context high appreciation was shown of the Romanian foreign policy, of the initiatives and steps taken by President Nicolae Ceausescu for a peaceful, negotiated settlement of the conflicts still persisting in various parts of the world, for disarmament, international peace and cooperation.

At the same time, expressing satisfaction at visiting Romania, the first secretary of the Executive Presidium of the Chamber of Deputies and the National Congress of the Federative Republic of Brazil showed that parliamentarians in his country were greatly impressed by the outstanding achievements scored by the Romanian people in the homeland's socioeconomic development, more particularly in the 24 years since President Nicolae Ceausescu has been leading the country. Special stress was laid on Romania's important success—the complete liquidation of its foreign debt.

Next, the head of the Brazilian parliamentary delegation showed that all those successes laid a solid foundation for a more powerful development of the cooperation between Brazil and Romania, which saw a positive evolution after the Romanian head of state's visit to Brazil and which has broad prospects in many areas.

Taking the floor, Jorge Vianna Dias da Silva, chairman of the Parliamentary Group for Brazil-Romania Friendship, said that he was very happy to visit Romania in the year when it celebrates 45 years since the victorious antifascist and anti-imperialist revolution of social and national liberation, getting acquainted with important economic and social projects, with the great achievements scored in the development and modernization of all the country's towns and settlements. The speaker underscored the powerful impression made by Romania's repayment of its foreign debt which proves the country's economic strength, the realistic character of its socioeconomic development programmes. Likewise, the guest showed that the initiatives of Romania, of President Nicolae Ceausescu devoted to disarmament, the ensurance of peace, the development of cooperation among all the nations of the world were well known and appreciated in Brazil.

President Nicolae Ceausescu took the floor next, to warmly thank for the message and to request that the acting president of the Federative Republic of Brazil be conveyed his salute and the best wishes.

I see your visit as an expression of the fine ties between Romania and Brazil, of the joint wish to develop even more the relations between our countries, he further said.

Referring to the road covered by Romania in its economic and social development, President Nicolae Ceausescu stressed that for hundreds of years Romania had been under the domination of foreign empires. Even after winning its independence in 1877, Romania had not been really independent as foreign monopolies and various firms held most of the country's riches. That is why Romania remained a poorly developed country.

In the 45 years since the antifascist and anti-imperialist revolution of social and national liberation and in the 40 years of socialist construction Romania has passed from the stage of a weakly developed agrarian-industrial country to that of an industrial-agrarian country with a

modern industry and an advanced agriculture. We turn out today an industrial production 135 times bigger than 45 years ago while the farm output is ten times larger. With this as a basis the national income increased 40 times and the people's standards of living have risen. We managed to erect vast industrial, agricultural, social constructions, houses, schools, hospitals, centres of culture. Forty-five years ago almost 40 per cent of the population was illiterate. Today we have a compulsory ten-year education and starting next year all the youths will compulsorily learn 12 years. We have powerfully developed science and culture considering that we cannot achieve a society in which the people should be fully free without an advanced science and culture. We have paid great attention to the development of the democratic forms of management of society.

Especially after the Ninth Party Congress we set from the fact that we had to build socialism in Romania in keeping with the conditions and the will of our people, President Nicolae Ceausescu further stressed.

We have firmly set from the outlook that we must build socialism with the people for the people and that to this end we must create appropriate organizational forms apt to provide for the people's direct participation in the elaboration and implementation of the home and foreign policy.

Now we debate within the party and with the people the development programmes until 2000 and in some areas until 2010.

To achieve what we have set to ourselves we need peace, a broad international cooperation with all states, irrespective of their social system.

Referring to the current international situation, President Nicolae Ceausescu showed that certain steps had been made in solving certain issues, but the steps were still small and the dangers still persisting were particularly great. As is well known, the existing nuclear weapons can destroy the world several times over. At present NATO discusses the modernization of short-range and tactical weapons which means a four-time increase of their destructive potential.

That is why, we think that the situation continues to be very grave and that the fight for disarmament, for nuclear disarmament in the first place, for the elimination of nuclear weapons should be in the focus of the activity of all peoples, of parliamentarians everywhere.

Next, President Nicolae Ceausescu referred to the fact that while military spending reached exceedingly high levels—roughly 1,200 billion dollars—the situation of the developing countries worsened. Even in the so-called developed countries—the United States included—unemployment increased as did the number of the poor. Referring to the particularly serious world economic

situation, President Nicolae Ceausescu underscored the extremely negative role of foreign debt, which, especially in the case of the developing countries, is substantial.

Mentioning Romania's full repayment of its foreign debt, President Nicolae Ceausescu showed that his country made the necessary efforts for both political and economic reasons. Credits did not help development, on the contrary, they turned into a break in the implementation of economic and social programmes. The World Bank and the International Monetary Fund, supported or urged by world monopolies and finance, tried to impose political and economic conditions on Romania, the way they did and do with all debtor countries. Following the measures it undertook, Romania managed to allot a substantial share of its national income to development ensuring thus its continuous progress and the concomitant payment of its foreign debt, and, at the same time, a rise in the people's standards of living.

Referring to the summit of the seven industrialized states in Paris, President Nicolae Ceausescu showed that in fact those countries set to themselves to continue the old policy of domination and oppression. That is why, President Nicolae Ceausescu said, for the Third World countries the problem is to strengthen their solidarity and cooperation, to work in full unity to make the rich countries sit down at the negotiating table and find reasonable and just solutions.

The capitalist countries must understand that without a solution to underdevelopment questions there can be no economic and political stability in the world.

An international conference must be called at the United Nations as soon as possible, to discuss and jointly work out measures.

As to the conflicts persisting in various parts of the globe, President Nicolae Ceausescu stressed that Romania was for their exclusively peaceful, negotiated settlement. We must ensure each people's right to decide its development path by itself, without any outside interference. This is the only way to ensure stability and peace in the world. We are of the opinion that parliaments have and must assume a greater responsibility in this respect.

Referring to the links between Romania and Brazil, which he assessed as good, the president stressed that Romania was ready and willing to develop broad ties with Brazil, in all areas.

In conclusion, President Nicolae Ceausescu wished a better cooperation between our two peoples and countries, between the parliaments of Romania and Brazil, and requested that the Brazilian parliamentarians and the friendly Brazilian people be conveyed the best wishes of success in economic and social development, in strengthening national independence and sovereignty.

The interview was attended by Nicolae Giosan, chairman of the Grand National Assembly, and deputy Mihail Niculescu.

Present was also Brazil's ambassador in Bucharest, Milton Bezerra Cabral.

Brazilian Delegation Meets Press
AU2507193289 Bucharest AGERPRES in English
1731 GMT 25 Jul 89

["Press Conference"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 25/07/1989—On July 25, members of a Brazilian parliamentary delegation who paid a visit to Romania, met representatives of the Romanian press.

In a statement made on the occasion, chief delegate Luiz Henrique da Silveira, first secretary of the Executive Presidium of the Chamber of Deputies and of the National Congress of the Federative Republic of Brazil, pointed out the closeness and even identity of Romania's and Brazil's points of view as concerns the issues of disarmament, peace, the solutions to the regional conflicts, trade, the people's right to self-determination, the need to set in a new international economic order.

"We appreciate most highly President Nicolae Ceausescu's stand, said the speaker, as well as his demarche at the UN and at other international organizations, a demarche authorised to contribute to solving the great problems of the contemporary world. President Nicolae Ceausescu, he said, has played an important part in solving regional conflicts. We believe that owing to his prestige, his highness can further contribute to solving the problems confronting the contemporary world.

"I and us all know and with the greatest satisfaction have learned first hand, too, of Romania's standard of development in the fields of industry, science and particularly in agriculture, where high productivity rates are recorded, said in turn deputy Oswaldo Cavalcanti da Costa Lima Filho.

"I wish to stress that we have been particularly impressed by the meaning Romania attaches to economic independence, said deputy Lysaneas Dias Maciel. It is a small country which has managed to make a true revolution in this domain. Romania's independence has been gained in spite of all the actions carried out by international monopolies, by the international monetary fund and other similar organizations. Romania has proved to us the power a small country can wield in solving its main problems".

Referring to the huge debts which burden the developing countries and condemn the poor countries to economic deadlock, deepen the already tremendous gap between

the poor and rich countries, especially the Latin American countries, deputy Helio Moacyr de Souza Duque showed that Brazil had to learn from Romania, a country which paid off its foreign debts winning full economic and political independence.

"We leave for Brazil with the finest impressions," Deputy Raul Carlos Andrade Ferras said. "One is impressed first by the high construction rate in Romania, by the way in which the housing question is solved. You have scored good results in the modernization of villages as well. We think it a correct option. It is an interesting solution which is worth being studied."

In his turn, Deputy Jairo Alfredo Oliveira Carneiro said: "I have the best impressions of Romania, of the Romanian people. Romania has removed the smoke screen of the hostile Western propaganda which distorts reality. You have done very many things in Romania. You have no longer illiteracy, you are no longer indebted to anyone. You are really independent."

Showing that the relations between the two countries and peoples, between the parliaments in the two countries are good and have great development prospects, Deputies Jorge Vianna Dias da Silva and Androaldo Marly Streck pointed out that, in future too, the collaboration between Romania and Brazil could see powerful development, more particularly in such domains as energy, agriculture, canal and port building, informatics, tourism, in which Romania scored superior results winning a positive experience which must be analysed and taken into consideration.

The Brazilian parliamentarians also referred to questions facing the economic, social and political life of their country, to the fight of the democratic and progressive forces for structural changes apt to benefit the broad masses of people, the whole Brazilian society.

Mongolian Leaders Send Message of Thanks
AU2407125789 Bucharest SCINTEIA in Romanian
21 Jul 89 p 4

[Message of thanks from Jambyn Batmonh, general secretary of the Central Committee of the Mongolian People's Revolutionary Party, and from Dumaagiyn Sodnom, chairman of the Council of Ministers of the Mongolian People's Republic, to Romania's President Nicolae Ceausescu and Prime Minister Constantin Dascalescu, for National Day greetings]

[Text] To Comrade Nicolae Ceausescu, general secretary of the Romanian Communist Party and president of the Socialist Republic of Romania and to Comrade Constantin Dascalescu, prime minister of the Socialist Republic of Romania:

On behalf of the Central Committee of the Mongolian People's Revolutionary Party [MPRP], the Presidium of the People's Great Hural, the Council of Ministers, the

Mongolian people, and on our own behalf we extend to you heartfelt thanks for the cordial greetings and best wishes extended to us on the occasion of the 68th anniversary of the Mongolian People's Revolution.

We share your belief that the friendship and cooperation between our countries will continue to develop, in accordance with the provisions of the Treaty of Friendship and Cooperation Between the Mongolian People's Republic and the Socialist Republic of Romania.

We extend best wishes to you and we convey wishes for prosperity to the fraternal Romanian people.

Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the Presidium of the People's Great Hural of the Mongolian People's Republic

Dumaagiyn Sodom, chairman of the Council of Ministers of the Mongolian People's Republic

Ceausescu Visits Constanta County, Shipyard
AU2607091289 Bucharest AGERPRES in English
0845 GMT 26 Jul 89

[Text] Bucharest AGERPRES 26/7/1989—RCP General Secretary and President of Romania Nicolae Ceausescu together with Mrs Elena Ceausescu started a working visit to Constanta County in the morning of 26 July. The first stop was made at the Constanta shipyards, one of the largest industrial units in south-eastern Romania.

The visit continues.

Ceausescu Receives AL-'IRAQ Editor in Chief
AU2507185989 Bucharest AGERPRES in English
1739 GMT 25 Jul 89

[Text] Bucharest, AGERPRES, 25/7/1989—Tuesday, Romanian Communist Party General Secretary Nicolae Ceausescu, president of the Socialist Republic of Romania, received Saleh Aldin Saeed, editor-in-chief of Iraqi daily AL-'IRAQ, at Neptun Resort. On the occasion President Nicolae Ceausescu gave an interview to daily AL-'IRAQ.

'Structural Changes,' Growth in Industry Noted
AU2607090189 Bucharest AGERPRES in English
0743 GMT 26 Jul 89

[Text] Bucharest AGERPRES 26/7/1989—Following the fulfilment of the provisions of the Ninth RCP [Romanian Communist Party] Congress (1965) concerning the growth of the technical and material base of the economy, the investment fund allotted over 1966-188

exceeded 3,700 billion lei, accounting for more than nine tenths of the investments realized in the Romanian economy in the years of socialism. As for industry, the main branch of material production, in 1987 it held a 46-percent share of the fixed assets in the economy, its production registering an annual growth rate of 9.2 percent, an average higher than the 4.3 percent scored on a world plane over 1966-1988.

Industry's contribution to income formation increased from 48.5 percent in 1965 to 62.5 percent in 1987, almost 95 percent of the machinery, equipment and plant operating in industry being manufactured in Romania.

The stress laid on the continuous growth of industrial potential (which increased 135 times from 1945) bore positively on the other areas of the socioeconomic life.

Over these 24 years, industry has undergone structural changes, the growth of the capacity of enlarged reproduction of industry being achieved by increasing the contribution of the basic branches (the share of the production of electric and thermal power, metal working, machine building and chemistry raised from 42 percent in 1965 to 50.9 percent in 1987) and, more particularly, by strongly diversifying them, by developing key branches like electrical engineering, electronics, optics, fine mechanics, aviation, at an average annual rate higher than that of industry in general. For instance, the growth index of electronics was by 1.5 percent higher than that scored in industry as a whole, the production of metal-working machine-tools increased 32 times, that of hot-metal working machine-tools 63 times in conditions in which machine-building industry grew at a 13 percent rate in the period of reference.

The dynamics of the growth of Romania's industrial potential also shows in its contribution to foreign trade activities. While in 1965 machine-tool industry and chemistry accounted for only 25 percent of Romania's overall export, in 1988 these two branches alone covered almost half of the Romanian export in point of volume, in conditions in which the Romanian export offer is by 50 percent bigger than in 1950.

Human Rights Group Reports Death of Priest
LD2607123689 Paris Domestic Service
in French 1100 GMT 26 Jul 89

[Text] A Romanian Orthodox priest was battered to death last week in Bucharest, according to the League for Human Rights in Romania which is based in Paris. The body of Father (?Ionescu) was found in the district of Bucharest for which the dictator [dictateur] Ceausescu is the deputy. Three other Orthodox priests were subjected to attacks last week.

Presidency Discusses Upcoming Nonaligned Summit
AU2507144989 Belgrade BORBA in Serbo-Croatian
20 Jul 89 pp 1, 8

[TANJUG report: "Draft Platform Endorsed"]

[Text] Belgrade, 19 Jul—At its session held today—which was chaired by Janez Drnovsek—the SFRY Presidency discussed the platform of the Yugoslav delegation's activities at the ninth summit of the heads of states or governments of nonaligned countries which will be held in Belgrade between 4 and 7 September, as well as the political platforms published so far.

The opening speech was made by Budimir Loncar, federal secretary for foreign affairs.

According to a statement issued later, the Presidency supported all the proposals made in the draft platform, above all, the orientation toward modernizing the activities of the movement and stimulating major positive changes that are taking place in international relations.

The Presidency concluded that this orientation has been met with support, and was endorsed at meetings and various contacts and consultations which were particularly intensified during the closing stage in the preparations for the summit.

The consultations at the ministerial and top level that have been held with over 50 countries so far, as well as the numerous meetings that will be held before the convening of the summit, represent our country's endeavor to express the common stand on the most topical international issues through an open exchange of views with all the partners in the movement.

These consultations demonstrated the broadest consensus that the movement's priorities should be the questions concerning development, including the debt crisis, the question of peace and security under the new international conditions, and providing stimuli for solving the hot-beds of crises in the world. The Presidency also stressed that special attention should be paid to new global problems such as the protection of environment and human rights in all respects.

The SFRY Presidency expressed the need for the Yugoslav delegation to strive at the summit for an efficient and rational approach to all questions.

The Presidency stressed the special importance which the forthcoming summit and our country's assumption of the role as the chairman of the movement will have for the affirmation of its role in the world. The Presidency reiterated the obligation of all member countries which are taking part in the preparations of the summit to continue work on their tasks with full responsibility and efficiency so that our country could honorably and fully respond to its obligations as the host of the summit.

The Presidency also adopted the report of Dragutin Zelenovic, member of the SFRY Presidency, on his participation in the inauguration of Argentine President Menem. It was concluded that the meeting and talks between presidency member Dragan Zelenovic and President Menem were of importance for the development of bilateral relations and cooperation between Yugoslavia and Argentina.

The SFRY Presidency also adopted a decision according to which, on the basis of appeals made, 13 persons were pardoned from serving their sentences, 4 had their sentence partially reduced, and 7 persons had their prison sentences suspended.

Drnovsek Interviewed on Nonaligned Movement
AU2507205089 Belgrade POLITIKA
in Serbo-Croatian 20 Jul 89 p 2

[TANJUG report: "We Are a European and Nonaligned Country"]

[Text] In the documents prepared for the upcoming nonaligned summit in Belgrade which will be the basis for the movement's activities in the future, we have endeavored to demonstrate the new modern position of nonalignment, to avoid accusatory and vindictory tones regarding third countries, and, above all, to show the movement's willingness to be included as a serious factor in the processes of world integration, stressed Dr Janez Drnovsek, president of the SFRY Presidency, in an interview carried by OSLOBODJENJE. The text was published in the framework of a series of interviews concerning the nonaligned summit which will be published in the book, "The Challenges of Nonalignment."

We have endeavored, it says in the interview, to make the documents clearer and more readable and burdened as little as possible with stereotypical empty phrases. State or government heads will assess how successful we were at this in Belgrade. Drnovsek expressed the hope that this summit will be remembered for a realistic and mature diagnosis of international trends and for several initiatives, particularly in the economic field. If this spirit prevails at the summit, I think that the summit would have fulfilled its purpose, assessed Drnovsek.

In this respect, stressed the president of the SFRY Presidency, we should not be unrealistically optimistic or overlook the huge problems which the nonaligned countries face and the differences in the development and position of some of the movement's members, or to expect any sudden spectacular results. This is a question of a longer term process whose foundations should be established by the movement and the countries within it in Belgrade.

Answering a question on what the almost 3 decades of our participation in the Nonaligned Movement have meant for the affirmation of Yugoslavia in the world, and what the movement has given Yugoslavia and what

Yugoslavia has given the movement, Dr Janez Drnovsek said that in the period of strong pressure and threats of isolation from the blocs and the culmination of the cold war, by participating in the founding of the Nonaligned Movement, Yugoslavia managed to strengthen its international position and reaffirm its independent and specific road of development. This was an expression of attempts by Yugoslavia not to accept the logic of division and ideological exclusivity, but to open itself out as much as possible to cooperation with all factors in the world on the basis of equality. The mere fact, believes Dr Drnovsek, that at this cathartic moment of deep positive transformations in international relations, the non-aligned countries chose Yugoslavia to again preside over the movement, shows their confidence that despite its own internal difficulties, Yugoslavia will be able to contribute to the revitalization of the movement and the strengthening of its efficiency in cooperation with the other nonaligned countries.

More and more is being said in Yugoslavia about firmer ties with European economic integration, and inclusion in the European Community has also been mentioned, and in this connection there has been talk of a dilemma over a choice between Europe and nonalignment. In answer to the question of whether these two can be reconciled and how, Dr Janez Drnovsek, president of the SFRY Presidency, stressed in the OSLOBODJENJE interview that there is no room for such a dilemma. It has no logical or political basis. Yugoslavia is a European, nonaligned country and contributes to the enrichment of Europe with its nonalignment and to the enrichment of nonalignment with its European dimension.

The rise of integrational processes in Europe, which is particularly coming to the fore through the strengthening of supranational tendencies in the European Community, is a process which will certainly have far-reaching consequences for European and world trends. As a European country, Yugoslavia should not and cannot allow itself the luxury of being excluded from these processes, believes Drnovsek.

French Daily Interviews Drnovsek in Paris
AU2507201289 Belgrade BORBA in Serbo-Croatian
20 Jul 89 pp 1, 8

[A. Djukanovic report: "The Priorities of Competition"]

[Text] Paris, 19 Jul—The liberal Catholic daily LA CROIX carries in today's edition the interview that Janez Drnovsek, president of the SFRY Presidency, gave this newspaper during his visit to Paris for the celebrations marking the anniversary of the French Revolution.

On the front page, the newspaper announces the interview by its most prominent commentator Jean-Francois Butor [surname as published] as follows: "The new and young (39-year old) head of the Yugoslav state wants his country to be efficient and to increasingly turn toward the West."

Under the headline "The Priority of Competition in Yugoslavia", the interview with Dr Janez Drnovsek is carried on two thirds of the sixth page with a picture of the president of the SFRY Presidency signing the solemn declaration "when he became the youngest president of Yugoslavia on 15 May."

[Question] The first question from LA CROIX's commentary was: Mr President, you were the only East European head of state to attend the 200th anniversary of the French Revolution. What is the significance of your attendance in Paris?

[Drnovsek] This anniversary is obviously very important. Yugoslavs, and not just Serbs, who are most often discussed in this context, have always nurtured great sympathy with France. For example, Slovenia, where I come from, was occupied by Napoleon's troops when it was part of the Austrian empire at the beginning of the 19th century. We have kept good memories of that. The wind of freedom began to blow and art, education, and culture in general began to develop. Through my presence in Paris, I want to confirm the orientation, which is the orientation of Yugoslavia and my own orientation regarding Europe and its traditions. We do not expect only bilateral cooperation from France, but also support for our efforts in economic and other rapprochement with Europe. A few days ago, Yugoslavia decided that it is prepared to discuss its possible status as a member of the Council of Europe and is prepared to adopt its conventions, including the European convention on human rights.

[Question] How do you envisage the future of a large European market?

[Drnovsek] We are, of course, very interested and we do not want to be excluded from it. Our relations with the European Community are quite good at the moment—Yugoslavia enjoys a special status, but we do not want to enter the community at this time. Such a thing would not be realistic. What seems to me to be possible in the sphere of institutions is our inclusion in the Council of Europe. We are also negotiating with the European Free Trade Association.

[Question] In eastern Europe, countries like Poland, Hungary, and the USSR are facing reforms. Are you considering new relations with them?

[Drnovsek] It should be said from the start that we do not have privileged relations with them. We are not a member of the Warsaw Pact; our economy recognized the market as the basic mechanism long ago, as well as the independence of enterprises. Centralism and planning still prevail in other countries. We are at an advantage regarding economic relations with western Europe. However, it should be recognized that these countries are now also turning toward the West. I am sure that cooperation can develop. We are closely following the

political and economic development of these countries because we have points of contact with them, for example, the problems of political pluralism.

[Question] These countries are asking for help from the West in order to implement their reforms as well as possible. What is the situation with Yugoslavia in this respect?

[Drnovsek] Our economic difficulties derive to a great extent from the repayment of foreign loans. We have had high inflation and the stagnation of development in the last 5 or 6 years. It is difficult to reform and stabilize the economy with the transfer of finance that is imposed by the repayment of foreign loans. This situation is not normal and the best solutions should be found, particularly since we are victims of fluctuations on the international financial market and the variability of interest rates.

[Question] What are your economic priorities?

[Drnovsek] The development of the private sector and of small- and medium-sized enterprises. We need this if we want to restructure large "socially owned" enterprises which are unprofitable. Many people will lose their jobs in this process, but we are counting on solving this problem by developing the private sector.

[Question] And large private enterprises?

[Drnovsek] We accept foreign investments without restrictions. I spoke about small- and medium-sized enterprises because this seems more realistic to me, but there are ideological barriers for other enterprises.

[Question] Does this concern self-management?

[Drnovsek] I believe that in principle, self-management is not at variance with the independence of enterprises and the play of the market. However, in the seventies, the question of the enterprise efficiency was neglected. People lived with the illusion that anything could be done, they could be concerned with themselves, and use foreign loans which had low interest rates, but the problem of economic efficiency was considered secondary. The self-managing sector can become more efficient not only by entering into competition with the private sector, but also with foreign enterprises. It should prove itself on the market.

[Question] You were chosen as Slovenia's representative in your country's Presidency and you did not represent the League of Communists. How do you explain this from the point of view of the political evolution of your country?

[Drnovsek] I was an independent candidate and was chosen for the first time at the general elections. Perhaps I am a spokesman for the orientation toward economic

efficiency and democratization. I support competition not only in the economy, but also in politics. Yugoslavs should talk calmly, freely, and openly in order to find a new political road.

[Question] The opponents of a multiparty system think that there is a risk of strengthening centrifugal tendencies as regards the national problems.

[Drnovsek] It is true that it is more difficult for us to establish political parties than for the Hungarians or Poles, who do not have the problem of nationalities, because there is a real danger from the nationalist inclinations of these parties. Our situation is very tense and excitable. Nevertheless, I believe that political and national tensions will calm down if we achieve economic successes and that we will have more stable conditions in which we will be able to explore the different possible formulae of political pluralism.

[Question] The Serbian leader, Slobodan Milosevic, recently announced that perhaps a system without political parties should be considered. What do you think about that?

[Drnovsek] A free debate will be started in order to work out a new Yugoslav constitution. That will be the time for discussion.

Indian Paper Interviews Foreign Minister Loncar
BK2507132189 Delhi PATRIOT in English
16 Jul 89 p 7

[Interview Yugoslav Foreign Minister Budimir Loncar by unidentified correspondent; date, place not given]

[Text] Mr Budimir Loncar has been Yugoslavia's foreign minister for 18 months. But he is no newcomer to the world of diplomacy. Indeed, he is the product of the Tito school of diplomacy, which Yugoslavia proudly proclaims to be responsible for its position in international politics and a role in the Non-Aligned Movement [NAM].

The 60-year-old former partisan and one-time army and security officer was elevated to the foreign minister's post in January 1988 when his predecessor assumed presidency, and brought with him to the post a vast experience of 39 years accumulated in service as diplomat and deputy foreign minister.

It is a measure of Yugoslavia's confidence in his professional skills that he was renominated to the post in March this year when the new Government of Premier Ante Markovic was formed. When Yugoslavia assumes Chairmanship of the Non-Aligned Movement later this year, Mr Loncar is certain to play an important role as Chairman of the NAM Foreign Ministerial Coordination Committee.

In an exclusive interview to PATRIOT on the occasion of its silver jubilee, Mr Loncar has reviewed major issues before the world.

The text of the interview:

PATRIOT: What in your view have been the most significant major trends in international political affairs and relations during the last 25 years?

Mr Budimir Loncar: I would say that those major trends in the past 25 years—and, indeed, in the whole post-war period—have in a way been of a cyclical nature; the cycles of deterioration and of relaxation of tensions have been recurring in a pace and with a duration that were actually determined by relations between the great powers and blocs.

Tension used to be increased up to a point when a danger of direct confrontation became so obvious that it had to be stopped; then a period of relaxation followed but again only up to a level at which it used to become clear—in various periods of time and in various parts of the world—that there is no readiness enough for an active and peaceful co-existence.

And against this background, a spectacular breakthrough was made in Europe where just all these developments were most clearly reflected. The Helsinki Final Act was adopted, and even that as an event which only confirmed the rule of cyclical movement. For, Europe has enjoyed the fruits of detente for a short while, and then was swept by a new tide of nuclearization and heightened tension and, the world at large, by exacerbation of hotbeds of crisis.

An entirely new—let me only call it that way—cycle was inaugurated by the initiation of the process of negotiations between the superpowers. Now the process of disarmament, understanding—and, in this context, settlement of crises—a new and different way of thinking, the overall more favourable climate in the world, are getting impulses from various world regions. Only should this whole process obtain a power of its own to move continually forward, we will be able to say with certainty that the world has really entered a new era, and not just passing through another, however positive, cycle.

I am not pessimistic. Quite the opposite. What I want to say is that a new era should imply all the guarantees of durability and universality, which certainly includes, apart from what I have already mentioned, the awareness that the world is one, that relations in it must be thoroughly democratized. Which points to the most painful issue of today—the international economic sphere.

Question: Can you, please, reflect upon two most significant achievements and two major failures of international diplomacy during this period which have left a lasting imprint on regional or international situation?

Answer: To single out two major achievements or two major failures of international diplomacy and pretend to be objective is quite impossible.

After all, one can speak in relative terms only, as it depends on the angle of vision of these achievements or failures. If viewed from the standpoint of their contribution to the durability of overall positive processes in the world or their “contribution” to a reversal of the positive trend and a return to the previous, or possibly even worse stage—I personally favour such an approach—then the answer is to be found in what I have already replied.

Question: How do you perceive the world emerging at the turn of the century? What major issues do you expect to be to the fore before the nations, the international community? What should be the strategies of responses to them?

Answer: First of all I believe that we are on the threshold of a period which will—under the impact of scientific and technological advances inevitably bring about both benefits and individual differences—increasingly and ever more strongly leave an imprint on the collective awareness of the world's inter-dependence.

The major issues—and they cannot possibly be placed in the order of priority—will remain those related to disarmament, the threat or use of force, interference in the affairs of other states, inequitable international economic relations and underdevelopment. I said “will remain” not because I am a pessimist, but because all these preoccupations are for certain of a long-term nature.

There is no doubt that some differences and controversies from the past are gradually subsiding, even disappearing altogether. However, new ones are emerging and these are the realities facing the world at the turn of the century. It is, therefore, quite certain that the struggle for the democratization of the international order will continue to be in the focus of activities of the majority in the world.

It is also certain that the democratization processes, including the very important area of human rights, will receive growing attention both of individual states and international community as a whole. Furthermore, the scientific and technological revolution has raised many problems to the global level: food, energy, environmental and demographic problems. And, above all, economic problems, since—no matter how slowly this fact is being accepted—the world economy has already become an integral organism.

Any strategy for the final resolutions of these problems will essentially be a long-term one. What took decades, sometimes even centuries, to build, cannot be removed in a couple of years only. But when the things are on fire—as they are in the food sector, for instance—the fire must be put out by all available means and must be extinguished without delay. Hunger cannot wait for some long-term strategies to start operating. However, as a recurrent phenomenon in entire regions of the world it must be dealt with care and in a strategic manner.

Question: What is your assessment of the role of the Non-Aligned Movement in the present and the emerging world?

Answer: In the present and the emerging world, the role of the Non-Aligned Movement is not being diminished in any way. I would even say that the area of its action is expanding. Here I have in mind primarily the acceleration of positive changes, as many others have finally begun to apply the principles advocated by the movement ever since the first Non-Aligned Conference in Belgrade.

Therefore, as far as the movement is concerned, the new challenges call for greater creativeness and concrete initiatives such to prompt the entire international community to action; in other words, they call for dialogue with all factors in the world in order to make it more just and more progressive through concerted joint action.

Question: What in your view are the implications of the wave of changes in Eastern Europe?

Answer: The implications are great and important. The international public at large, and even the political circles in many countries worldwide, look very positively upon the processes gaining momentum in the so-called Eastern Europe. For, everyone is fully aware of the interaction of developments in individual countries and the state of overall international relations.

That is why these processes are significant for the world as a whole. Reforms, "glasnost", "perestroyka" and democratization—no matter how we may interpret these terms—have no alternative if we want to build a world worthy of man and able, with a human being in its centre, to meet the challenges of our times.

Question: Are the old "bloc" concepts disappearing?

Answer: I wouldn't say that they are disappearing, but they are surely bending under the pressure of the very fact that all the prejudice in the world as to the differences between the superpowers and blocs being so profound and enormous that it is not possible to reach any kind of agreement, especially not in the most difficult field—disarmament, have disappeared.

When it became clear that neither peace nor security and prosperity of the world can rest on the so-called balance of power and fear, that the only way is de-escalation and disarmament, that the great powers by themselves, without the contribution of the entire international community, are unable to achieve even a detente of their own, across the rigid lines of bloc divisions started an interaction in the economic, social, humanitarian and cultural fields. [sentence as published]

The human factor, the needs and aspirations of the individual person, began coming more and more into prominence. Indeed, it is the human factor which will hopefully, one day, help put an end once and for all to any concept and any need for division and closures.

Question: What role do you envisage the European States playing in the emerging world?

Answer: Europe, which was until recently—we must not forget that—associated with various iron curtains and other barriers, can play a very important role. A pivotal one, I should say. True, Europe is still the region possessing the largest arsenals of weapons of all types. It has its distinct East and West. From the standpoint of development, it has its North and South.

But it has already entered into the areas whose coordinates were inconceivable until recently. Into the process of disarmament, into a system of confidence-building measures and inspection, into reducing the level and nature of ideological considerations in mutual relations, into reaffirming human rights as a vital dimension of international trust. Europe has created conditions for its own march forward and, in an increasingly interdependent world, that means positive trends in the international community as a whole as much as it depends upon these trends.

FEC 'Not Contemplating Any Price Freezes'

*AU2507170189 Belgrade Domestic Service
in Serbo-Croatian 1300 GMT 25 Jul 89*

[Text] Despite the fact that prices are increasing, the Federal Executive Council [FEC] is not contemplating any price freezes. If producers of bread, edible oil, sugar, and milk exaggerate price increases, then the government will immediately intervene with imported goods. At the beginning of October, a kilogram of bread will not cost more than 2 or 3 million old dinars. These were the most important highlights of the news conference given by Aleksandar Mitrovic, FEC vice president, and Nazmi Mustafa, federal trade secretary. Here is a report by Slavisa Stojkovic:

Various guesses that bread [word indistinct] will cost 5 or 6 or who knows how many million old dinars are quite arbitrary and needlessly disturb the public, stressed Aleksandar Mitrovic. As of October, bread will be made from this year's wheat which is being bought at an average of 4,000 dinars per kilogram and until that time, prices will increase only according to other production expenditures.

If there is any blackmail whatsoever on the market, we will not even hesitate in urgently importing either agricultural products or consumer goods. These imports are now much more easy to acquire because foreign currency reserves have exceeded 4 billion dinars, which is even more than was planned. One should recall the great liberalization of import rights so that now 78 percent of these products are freely imported, in comparison to last year when this was the case with only 17 percent. The FEC is therefore not considering price freezes but will use purely economic measures to curb prices if they rise too quickly.

Nazmi Mustafa stressed that all the measures which the FEC is undertaking in the price sector in agriculture are not intended to bring down prices but to stabilize the market level of values in real terms. He thinks that

(?intervention through) imports and intervention from commodity reserves have already had a beneficial effect because the present price of bread, which ranges in Yugoslavia from 8,000 to 17,000 dinars per kilogram for the same type, would otherwise have been considerably higher.

According to the federal trade secretary, these amounts will remain generally unchanged until the end of September, while in October bread will not cost more than between 2 and 3 million old dinars. If the present rate of inflation is added to this, and the FEC expects this to begin to fall in the autumn, it is clear that there can be no talk of a loaf of bread costing tens of millions of dinars, said the FEC representative.

Markovic Visits BORBA Offices, Holds Talks
AU2307143189 Belgrade BORBA in Serbo-Croatian 18 Jul p 1

[Unattributed report: "Ante Markovic at BORBA"]

[Text] In a discussion with Milan Rakas, director of the BORBA publishing enterprise, and with editors, managers, and journalists of this work organization, Ante Markovic, president of the Federal Executive Council, said that nothing unexpected happened in the past 100 days when the new federal government was in office.

Markovic added that the forecasts about the measures that will have a positive effect on the growth of production and exports are also coming true. In the first 5 months of this year, for instance, exports were greater than in all of last year.

As of yesterday, the foreign exchange reserves grew to \$3.8 billion, although the National Bank of Yugoslavia has repaid \$340 million in short-term loans. Generally regarded, conditions have been created for the government to conduct a policy on and to throw itself into the battle against inflation, which in fact has started.

There is no departing from the original program of development and the current policy, Ante Markovic stressed. He also remains firmly convinced that inflation could not be combated with a freeze of prices and pay.

The talks were attended by Zoran Miskovic, general secretary of the Federal Executive Council.

Assembly Announces New Presidency Members
LD2607094789 Belgrade TANJUG Domestic Service in Serbo-Croatian 0900 GMT 26 Jul 89

[Text] Belgrade, 26 Jul (TANJUG)—At a joint session of the two chambers of the SFRY Assembly today, Bogic Bogicevic and Vasil Tupurkovski were proclaimed members of the SFRY Presidency from Bosnia-Herzegovina and Macedonia, respectively. This completes the composition of the SFRY Presidency. The new members were sworn in, and, after the ceremony, the new composition of the SFRY Presidency was announced: from

Bosnia-Herzegovina: Bogic Bogicevic; from Montenegro: Nenad Bucin; from Croatia: Stipe Suvar; from Macedonia: Vasil Tupurkovski; from Slovenia: Janez Drnovsek; from Serbia: Borisav Jovic; from Vojvodina: Dragutin Zelenovic; and from Kosovo: Riza Sapundziju.

Nevesinje Leaders Resign, Protesters Disperse
LD2507201889 Belgrade TANJUG Domestic Service in Serbo-Croatian 1735 GMT 25 Jul 89

[Summary] 25 Jul (TANJUG)—This afternoon, some 500 citizens of Nevesinje, still protesting in front of the municipal assembly building, dispersed after they were informed of the resignations of all members of the municipal administration, the internal affairs secretary, and police commander, at a joint session of the sociopolitical aktiv and executive organs of the communal authorities. This leaves the commune virtually without leadership following last Friday's protest rally by about 5,000 local inhabitants demanding investigations into the misuse of funds. The Bosnia-Herzegovina assembly has been asked to intervene to ensure that essential tasks are carried out in the Nevesinje administration. Proposals for the functioning of the municipal organs and services are to be drawn up for the next regular assembly meeting on 28 July, and replies to issues raised by the organizing committee of the protest meeting are to be prepared by 10 August.

Kosovo Demonstrations Call for Emergency Measures

Emergency Measures Assessed
LD2507134789 Belgrade TANJUG Domestic Service in Serbo-Croatian 0915 GMT 25 Jul 89

[Text] Belgrade, 25 Jul (TANJUG)—During the demonstrations and mass gatherings in Kosovo, members of the security organs acted in accordance with their authority, Dr Dragutin Zelenovic, member of the SFRY Presidency, said today at a session of the Federal Chamber of the Yugoslav Assembly.

Zelenovic stressed that demonstrators used firearms and directly threatened the lives of citizens and members of security organs who were forced, in self-defense, also to use firearms.

A total of 22 demonstrators were killed, while 108 were seriously or lightly wounded. In carrying out their duties, 2 members of the security organs were killed, 14 were seriously wounded, and 112 were lightly injured.

The seriousness of demonstrations and mass gatherings, as well as the volume of measures undertaken, can be illustrated by the fact that since the introduction of emergency measures on 27 March until 15 June, a total of 2,233 persons were arrested, Zelenovic said.

Because of a well-founded suspicion that they acted in a hostile manner from the positions of Albanian nationalism and separatism, a total of 143 criminal charges were

brought, and there were 1,105 charges for minor offenses, Zelenovic stressed in a speech on the character and effects of emergency measures in Kosovo.

Retention of Measures Explained

*LD2507135289 Belgrade TANJUG Domestic Service
in Serbo-Croatian 0959 GMT 25 Jul 89*

[Text] Belgrade, 25 Jul (TANJUG)—Dr Dragutin Zelenovic, member of the SFRY Presidency, today at a session of the Federal Chamber of the Yugoslav Assembly said that at this juncture in Kosovo only those emergency measures which contributed to the normalization of the situation are in force.

The SFRY Presidency assessed that the measures, including the ban on assembly in order to demonstrate, strengthened measures of securing borders, and the involvement of civil protection headquarters and intelligence centers, should remain in force for some time.

Therefore, the emergency measures still retained are those which do not play a role in limiting the work and life of the people. Rather, they contribute to the normalization of the situation, that is, they prevent or decisively curb attempts at renewed destructive activities, Zelenovic stressed.

House Arrests Outlined

*LD2507135789 Belgrade TANJUG Domestic Service
in Serbo-Croatian 0948 GMT 25 Jul 89*

[Text] Belgrade, 25 Jul (TANJUG)—Due to an exceptionally complex situation in Kosovo, the measure of enforced residence in a specific place, that is, a ban on leaving the place of residence, or so-called isolation, has been used for the first time, Dr Dragutin Zelenovic, member of the SFRY Presidency, said today at a session of the Federal Chamber of the Yugoslav Assembly.

In accordance with the constitution and law, this decision was adopted by the Executive Council of the Kosovo Assembly. The measure was used against 238 persons. They were individuals against whom there was well-founded suspicion of belonging to illegal nationalistic and separatist groups in the country and providing ties with hostile Albanian emigres. They included those involved in the illegal arms trade, as well as inspirators and organizers of last year's November and this year's March strikes and demonstrations, Zelenovic said.

Eight Former Kosovo Officials Indicted in Pec

*LD2507141689 Belgrade TANJUG in English
1231 GMT 25 Jul 89*

[Text] Belgrade, July 25 (TANJUG)—The district public prosecutor's office of the city Pec in Kosovo Province has charged eight former Kosovo officials, including

former President of the Yugoslav Parliament Ilijaz Kurtesi, of approving the forced persecution of three Serbian and Montenegrin families from their homes and land in Kosovo, the Belgrade daily POLITIKA EKSPRES reports today.

In addition to Ilijaz Kurtesi, Sakolj Isa, Iljaz Iljazi, Visaj Isuf, Djekaj Sahit, Kastrati Kadrija, Mulaj Ibrahim and Radomir Petrovic all go on trial.

In the seventies, when the migration of Serbs and Montenegrins from the province of Kosovo took on drastic proportions, several scores of thousands of Serbian and Montenegrin families fled the province under pressure from Albanian chauvinists and separatists.

Some high provincial and city officials joined in the persecution of Serbs and Montenegrins. They used public funds to buy their land and houses and later passed them on to Albanian chauvinists and separatists, the daily claims.

Kosovo Residents Complain to Serbian Assembly

*LD2507163189 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1025 GMT 25 Jul 89*

[Text] Belgrade, 25 Jul (TANJUG)—A group of 47 citizens from the Kosovo municipality of Vitina, among whom besides Serbs there are also Albanians, Muslims, Croats, and Romanies, arrived today in Belgrade and were received in the assembly of the Socialist Republic of Serbia. The Vitina citizens are complaining about the situation in their municipality, in particular about the fact that ideopolitical differentiation has not yet started, while the policy in the municipality continues to be made by the cadres, among whom there are many who used to be and remained on the positions of Albanian separatism or Serbian careerism.

The talks are now being held between the Vitina citizens and Zoran Andjelkovic, executive secretary of the Serbian League of Communists Central Committee Presidium, Dragan Nikolic, president of the chamber of municipalities of the assembly of the Socialist Republic of Serbia, and other republican officials.

Document Proposes Political System Changes

*LD2607111589 Belgrade TANJUG in English
1024 GMT 26 Jul 89*

[Text] Belgrade, July 26 (TANJUG)—The Yugoslav crisis requires the development of democratic relations which will increase the rights and freedoms of citizens, establish the rule of laws, abolish unjust social differences, reform self-management and rationalize social institutions, it is underscored in a letter sent by Serbian State President Slobodan Milosevic yesterday to the presidents of the other Yugoslav republican presidencies.

Attached to the letter is a document which presents Serbia's proposals for changes in the Yugoslav political system. The document is a result of hard work by a special commission of the Serbian State Presidency and presents, as announced, the realization of the conclusions made by Yugoslav parliament on preparations for a new Yugoslav constitution.

According to this document, which offers complete proposals for changes in all segments of the system, the change in Yugoslavia's political system should make possible the transition of Yugoslavia from a party state into a modern and efficient legal state.

The Serbian State Presidency urges the guarantee of the freedoms of thought and speech, associations, the press and information, along with the right of all citizens to freely join associations and societies on a democratic basis, not excluding a multi-party system.

Serbia proposes a larger fund of functions for the Yugoslav federation and the narrowing down of consensus as a manner of decision-making to the crucial questions called for by the constitution. This would substitute the current complicated manner of decision-making in the Yugoslav Federation, where the republics had a decisive influence, with efficient decision-making on a larger scope of questions in the competence of federal organs.

In the document, Serbia further urges the strengthening of integration processes in Yugoslav society, especially for a common Yugoslav market, free elections, the independence of the judicial system, a two-house parliament, and a nationally equal Yugoslav Federation with special emphasis on civic rights.

Milosevic Addresses Bosnians on Working Together
AU2507201389 Belgrade BORBA in Serbo-Croatian
20 Jul 89 p 4

[Unattributed report: "Together We Are Strong, Divided We Don't Have a Chance"]

[Excerpts] As part of the established practice of the leaderships of the socialist republics and autonomous provinces to hold working meetings among themselves, the Serbian and Bosnian delegations met in Sarajevo on 30 June of this year. The talks between the two republics were attended by the most prominent officials of political, self-managing, and state organs: Slobodan Milosevic, president of the Serbian Presidency; Obrad Piljak, president of the Bosnian Presidency; Bogdan Trifunovic, president of the Presidium of the Central Committee of the League of Communists of Serbia; Nijaz Durakovic, president of the Presidium of the Central Committee of the League of Communists of Bosnia-Herzegovina; Abdulah Mutapcic and Milan Uzelac, members of the Presidium of the Central Committee of the League of Communists of Bosnia-Herzegovina; Zlatan Karavdic, president of the Bosnian Assembly; Radmila Andjelkovic, president of the Presidium of the Republican

Conference of the Socialist Alliance of the Working People of Serbia; Edina Residovic, president of the Presidium of the Republican Conference of the Socialist Alliance of the Working People of Bosnia-Herzegovina; Desimir Jevtic, president of the Serbian Executive Council; Marko Ceranic, president of the Bosnian Executive Council; Mihajlo Mилоjevic, president of the Economic Chamber of Serbia; and Vukota Visnjevic, president of the Economic Chamber of Bosnia-Herzegovina.

The talks mainly focused on the current questions concerning the political, security, and socioeconomic situation in these two republics and in the country as a whole. [passage omitted]

The main points of the speech delivered by Slobodan Milosevic are:

We Are Going Downhill

- We should return Yugoslavia to a federal community, in the way it was conceived, on the AVNOJ [Antifascist Council of the National Liberation of Yugoslavia] principles. We have never considered any other kind of Yugoslavia;
- One of the important factors is time. We are going downhill, the crisis is deepening, it is generated by the system. At the time when the whole world is integrating, we have embarked on the process of disintegration and growing separatist conscience;
- Separatist conscience is not a special trait of Albanian nationalists in Kosovo. It is present in ourselves, in work organizations' basic associated labor organizations, in all communes, and in all regions. This is a feeling about a general confrontation and the prevention of the flow of social capital, work, interests, and so forth. This conscience has emerged from the idea of the consensus economy;
- Political voluntarism has become food for the huge bureaucracy which has transformed itself into an arbiter for all questions. This is why our way out is in the market and commodity production as the only mechanism which can place value on someone's work. If the market does not arbitrate, bureaucracy will;
- At present we function like a confederation. All questions are solved by the consensus principle, every decision needs to be made in accordance with the consensus principle all the time;
- What can the League of Communists offer as a unified platform? There is no federation in the world that does not have duties concerning defense, foreign affairs, internal affairs, and the economy or the current economic affairs. The fourth duty, unfortunately, does not exist in our federation. The Yugoslav federation cannot function without a unified economic system. Without this system we cannot have a unified market. If we do not have that, there will be no Yugoslavia;
- In this unified economic system, the federation should have three key instruments with which it will influence demand and supply: the monetary policy, the fiscal policy, and the policy of regulating economic relations

with other countries. Every modern state has one central bank, one monetary authority, one currency as the method of payments. If there are several of them, then there are several states. A unified taxation system, a unified fiscal policy, and economic relations with other countries are the three key instruments without which there will be no unified Yugoslavia. Without them, Yugoslavia will become the simple hunting ground of the developed regions for large redistributions of the national income from undeveloped regions;

- A direct consequence of high inflation is that it makes the rich richer and the poor poorer. The biggest redistributions are not done through the budget or other instruments, but through the primary distribution.
- In this way, everybody in Yugoslavia will lose in the long run, there will be nobody in Yugoslavia who would fare well in the long run;
- The 1-year terms of office have destroyed the system of accountability. Except on paper, the Yugoslav federation is not functioning. It is functioning to its own detriment, it is functioning in the way which confronts its parts and objectively and in the long run bothers everybody. This is the proof that there are not six or eight ways out of the crisis, but only one. This sole way of solving the crisis must be jointly defined and must be in everybody's interest;
- I would like to say that we appreciate your support regarding constitutional changes in Serbia very much. The Bosnian leadership held a clear stand. We mentioned this on several occasions. We received this support at the time when we really needed it;
- However, certain reservations can be seen in Bosnia-Herzegovina concerning the views of some officials on Kosovo. At the session of the Central Committee of the League of Communists of Yugoslavia, we heard a speech of one of your members who directly supported Albanian separatists. The equal sign cannot be placed between the victims and tyrants, between those who want to preserve Yugoslavia and those who want to break it up;
- What happened in Kosovo was not an interethnic clash, but a clash between Albanian separatists with the legal organs of the Yugoslav state;

Situation in Kosovo Is Improving

- The situation in Kosovo is now improving. The path embarked on is the path which we staked out 3 years ago, when this Central Committee was elected, when it look as if we were telling fairy tales. What we were saying is that the Kosovo problem cannot be solved without a unified front of Albanians, Serbs, Montenegrins, Turks, Croats, Muslims, and others. This front is now firmly set in the leadership, and we are working on its stabilization among the people. This front is being spread, consolidated, stabilized, and is obviously producing some results;

—Regarding the economic reform, the reform of the political system, and Kosovo, we communists can win this battle only if this entire process is carried out on the wave of democratizing relations, which means publicly and in a well-argued way;

—We in Serbia are of the opinion that we should not impose any of our solutions. We will offer them and provide backing arguments. We will also very carefully analyze other solutions that come from other parts of the country that we consider to be good, progressive, and of help to us.

Presenting the assessment according to which the views of Bosnia-Herzegovina and its leadership had not been wholly presented to the public in Serbia, the representatives of the Bosnian delegation spoke about meetings and attempts made to organize them in Bosnia-Herzegovina. They also stated that they appreciated very much the support which the Bosnian leadership received from the Serbian Presidency and the Serbian Party Presidium at that time. The two delegations expressed identical views on the functioning of the federation in the unified economic system and the unified market, as well as the economic instruments which the federation should have under the new conditions. It was agreed that they should jointly speed up the activities concerning the definition of the platform for amending the SFRY Constitution and the total functioning of the socioeconomic and sociopolitical systems.

The Serbian delegation assured the Bosnian delegation that they have no ethnocentric and paternal tendencies toward Bosnia-Herzegovina. In response to this, the Bosnian delegation stated that if over a long period of time the leadership does not react to the phenomena that are taking place in that republic, and which contradict the views of the Serbian leadership, then one could wonder how that was possible, because every individual leadership is responsible for its own republic and for the events and situation that exert influence on the situation in other parts of the country and the country as a whole. The question concerning the imperilment of Serbs in Bosnia-Herzegovina is being intensively forced in the media in Serbia and it has various connotations, ranging from the well-intended to the nationalist.

It was also concluded that the approach to the changes to the SFRY Constitution, which lacked agreement during the recent process of changing the constitution, is identical and that a certain degree of unanimity is also present in their approaches to the preparations for the 14th congress of the League of Communists of Yugoslavia. Nevertheless, it was stated that one cannot go to the congress with the firmly set view that these questions must be resolved, and thus influence the course of the congress, especially if one knows that some of these questions cannot be solved in a short period of time, because this could mean a blockade. We should work on one problem at a time and in this way fulfill our aims and achieve the best possible results. [passage omitted]

Durakovic on Bosnia-Hercegovina's Ethnic Problems
LD2507141789 Belgrade TANJUG in English
1205 GMT 25 Jul 89

[Text] Zagreb, July 24 (TANJUG)—President of the Presidency of the Central Committee of the League of Communists of the Republic of Bosnia-Hercegovina, Dr Nija Durakovic, has said that this central Yugoslav republic was lately experiencing "serious motion on the inter-ethnic plane," but that it remained resolutely committed to the concept of Tito's Yugoslavia as its "absolutely one and only destiny."

In an extensive interview published in the latest edition of the Zagreb weekly DANAS, Durakovic pointed out that the peoples of Bosnia-Hercegovina (almost 4.5 million, the most numerous of whom are Moslems, Serbs and Croats) refused to be anybody's "interest sphere," or to "serve as a fill-in" in the present inter-ethnic and inter-republican quarrels in Yugoslavia. In Durakovic's view, they are opposed to attempts from outside to carve up Bosnia-Hercegovina along ethnic lines and demands for it to "commit itself to one or the other side."

Advocating the reaffirmation of the self-management model of dealing with the national question in Yugoslavia, which "implies the equality of nations and nationalities and a federative system in the country," Durakovic pointed out that it was precisely for this that Yugoslavia was renowned in the world during Tito's time—for the successful manner in which it dealt with the national question.

At a time when a "hysterical outcry is being raised in this country against everything that was until yesterday holy," Tito's basic line is vanishing somewhere along the line, a "line which we must preserve and cherish, as no better model exists at this moment," Durakovic said.

Stressing that he was opposed to the deification of Tito, Durakovic said that the late Yugoslav president (died in 1980) could be blamed for some things, but not for "not having a feel and nerve for Yugoslavia's collective life and integrity." Even a dead Tito unifies Yugoslavia far more today than all those aggressively seeking to "disunite and divide it," he said.

Macedonian Paper Condemns Greek Publication
LD2507145489 Belgrade TANJUG in English
1341 GMT 25 Jul 89

[Text] Skopje, July 25 (TANJUG)—The Yugoslav daily NOVA MAKEDONIJA in Skopje, Republic of Macedonia, today writes that the pamphlet "The So-called Macedonian Issue", published by the Greek news agency ANA, is not in the interest of the promotion of Yugoslav-Greek relations.

The basic condition for good-neighbourly relations is non-interference in internal affairs, the daily sets out and, in that context, points out that the brochure is an example of gross interference in the internal system and the current political relations in Yugoslavia.

In an effort to discredit Yugoslavia's policy of good-neighbourly relations and its efforts consistently to respect the human rights of national minorities, NOVA MAKEDONIJA writes, the brochure is, to say the least, not conducive to the promotion of inter-Balkan cooperation, relaxation of tensions, and peace in the region.

NOVA MAKEDONIJA qualifies the Greek news agency's pamphlet as "a collection of long since known curses, insults, insinuations, incorrect facts, intentional distortions, and falsifications." NOVA MAKEDONIJA is especially critical of the old thesis once again presented in the ANA brochure, according to which there allegedly exist two Yugoslav policies towards Greece—one Belgrade's and one Skopje's. "This time, the thesis is, with unhidden ill intent, used in the context of the current internal difficulties in Yugoslavia," the Macedonian daily observes.

NOVA MAKEDONIJA warns of "the anti-Yugoslav and anti-Macedonian hysteria in Greece." A new provocation, a six-day "all-Macedonian conference", in which Yugoslavia's southern neighbour will participate, is being prepared for July 30, as a further attempt of proving the allegedly "purely Greek character of Macedonia," the Skopje daily sets out.

Paper Comments on Serbian-Slovene Strife
AU2107142689 Belgrade TANJUG in English
1244 GMT 21 Jul 89

["NOVA MAKEDONIJA on Awareness of Responsibility"—TANJUG headline]

[Text] Skopje, July 21 (TANJUG)—The Central Committee of the League of Communists of Yugoslavia (LCY) continues avoiding to declare itself more openly as to the ideological foundations of political strategies of the Serbian and Slovenian leaderships over which bitter polemics are being conducted and around which the other leaderships are centered to a greater or lesser extent, each having numerous reserves towards certain solutions offered by Milosevic and Kucan—writes the Skopje NOVA MAKEDONIJA newspaper today.

At this time, the party wanders from one event to another, from a plenum to a plenum, pushed by the current distribution of forces within itself.

Great injustice would be done to the press if it alone were blamed for all that is being written about the present political confrontations in the country without pointing to the true culprits—the political leaderships, writes the paper's editor-in-chief in today's commentary of NOVA MAKEDONIJA.

The leaderships not only failed to try to contribute to the easing of political passions and mutual showdowns, but had aimed one against the other with still more fierceness, persistently and mercilessly enlarging the gulf of distrust amongst the republics and provinces and consequently also amongst the country's nations and nationalities, the paper writes.

It showed up that some of these could not care less about the fate of the country, the Skopje daily notes. The struggle for power, for posts and for imposing of one's own political positions on others has become their first preoccupation for which they are prepared to fight by all means.

Yugoslavia is actually at its fateful crossroads.... But, to survive, some also have to fight for this country. Other than verbal readiness, the political top does not yet take any other steps towards this goal, the commentator of NOVA MAKEDONIJA emphasizes.

Slovene Greens Urge Closure of Nuclear Plant
LD2507130889 Belgrade TANJUG in English
0949 GMT 25 Jul 89

[Text] Belgrade, July 25 (TANJUG)—The Green Party has appeared on the political stage of Yugoslavia's most industrialized republic Slovenia. The Greens want to win seats in the republican parliament at the next elections. The Belgrade weekly NOVOSTI 8 writes today that they believe the representatives of the people will finally be able to decide about everything of importance, so that they would like to have a direct influence on the realization of their goals.

We are not burdened with ideology, we are looking for allies on any side. At the next elections we will support all the candidates who will be concerned with ecological problems, as stated by chairman of the Executive Committee of the Greens of Slovenia Dusan Plut, senior lecturer at the Faculty of Philosophy of Ljubljana.

The greens of Slovenia have a rather long list of concrete projects on which they will be engaged. Top priority is given to the question of the hydroelectric power plant Golica on the Bistrica River which flows into Yugoslavia from Austria, and on which the Austrians have built a dam without taking into consideration the effects on the natural environment of Slovenia.

The greens will also fight against large land reclamation projects and the use of chemical fertilizers which pollute underground waters and the entire environment.

The Greens' biggest project is the action aimed at closing down the only Yugoslav nuclear power plant in Krsko, a town on the border between the republics of Slovenia and Croatia.

Plut underscores that this is a difficult task and that the Greens therefore urge the immediate opening of a study on the subject—how to live without a nuclear power plant.

The Greens point out that the party registered 4,000 members when it was founded a year ago, that the membership fee is one percent of the member's net income, and that it is looking for sympathizers in the entire territory of Yugoslavia.

The Green Party of Slovenia informed the Greens of Europe about its founding, and representatives of Greens from Italy and Austria attended the founding rally. The Greens of the Federal Republic of Germany sent a telegram of support.

Cooperation with Europe has been established, but we are looking for sympathizers primarily in other parts of Yugoslavia, Dusan Plut stressed.

Montenegrins Withhold TV Fees, Cite Bad Service
LD2407104889 Belgrade TANJUG Domestic Service
in Serbo-Croatian 0028 GMT 24 Jul 89

[Summary] Titograd, 24 July (TANJUG)—In the next few days, Titograd radio and television will be submitting to the courts around 30,000 cases of unpaid bills; people have failed to pay their radio and television licence fees. Titograd radio and television is almost 7 percent dependent on the licence fee, but owing to the difficult economic situation many people have failed to pay this fee.

"Owners of television sets in some areas of Montenegro also have, in addition to this difficult financial situation, their own, additional 'line of argument': poor television reception and frequent interruptions, especially in the winter. It is for this reason why in individual municipalities a total of only several percent of radio and television owners pay their radio and TV licence fees and are publicly justified. The ignominious record in this regard is held by Rozaje, with only 7 percent paying the fee, followed by Bijelo Polje, with 4-5 percent more paying the fee."

Many of Titograd Television's technical facilities are outmoded, although new equipment to receive Channel One of Yugoslav Radio and Television will be set up on Mount Lovcen in the autumn, but for reasons of geography, transmission is difficult, even with the best equipment.